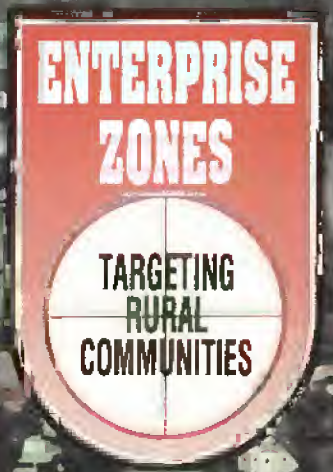
AGRICULTURAL OUTLOOK

Economic Research Service
United States Department of Agriculture • April 1993



April 1993/AO-195

AGRICULTURAL OUTLOOK

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The contents of this magazine have been approved by the World Agricultural Outlook Board and the summary released March 18, 1993. Price and quantity forecasts for crops are based on the March 10 World Agricultural Supply and Demand Estimates.

Annual subscription: $35 ($43.75 for foreign addresses, including Canada). Order from ERS-NASS, 341 Victory Drive, Herndon, VA 22070. Or call toll free, 1-800-999-6779 (U.S. and Canada only). All other areas, please call (703) 834-0125. Make check payable to ERS-NASS.

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The next issue of *Agricultural Outlook* (AO-196) is scheduled for mailing on May 4, 1993. If you do not receive AO-196 by May 24, call the managing editor at (202) 219-0494 (be sure to have your mailing label handy). The full text of AO-196 will also be distributed electronically; additional information on this is available at (202) 720-5505.

News of Rural Enterprise Zones, U.S. Farm Trade and Foreign Economies, and the Growth in Chile Pepper Demand

In spite of a sluggish world economy, a stronger dollar, and weaker prices for several commodities, U.S. agricultural exports forecast for fiscal 1993—$42.5 billion—about match last year's strong performance of $42.3 billion. Exports of fruits and other high-value products will continue to expand and offset a lower total value for bulk product exports.

The outlook for the U.S. economy is brighter. Improved consumer confidence, relatively low inflation, and low interest rates have helped set the stage for moderate economic growth in 1993. But given 1992's lackluster job growth, policymakers are considering a set of proposals to stimulate employment.

One of these proposals, creation of Federal enterprise zones, is of particular interest to agriculture-dependent and other rural areas. Enterprise zone programs apply tax incentives and other economic inducements to encourage business growth and investment in target areas.

Research suggests that rural zones may be even more successful than their urban counterparts in creating jobs. Building on lessons learned from state programs, Federal zones might be more effective than their state predecessors in revitalizing rural communities. Various Federal legislative proposals provide for multicommunity collaboration and wider geographic areas than the state programs—alterations that could enhance business opportunities in rural communities.

Agriculture-dependent areas are only a small part of the rural economy, but they stand to benefit from successful rural enterprise zones. First, zones can stimulate farm input, processing, and other agricultural industries. Second, most farm households are dependent on off-farm income and will benefit from job creation.

Most farmers receive the bulk of total household income from off-farm sources.

Recent statistics indicate income earned off the farm generated on average over 85 percent of farm households' total income in 1991. Only about 20 percent of farm operator households received more income from the farm than off-farm in 1991. A current Administration proposal recommends excluding individuals with off-farm incomes of $100,000 or more from receiving farm payments. Their combined farm and off-farm income averaged over $230,000 in 1991.

Farms of all sizes depend on agricultural loans to finance purchases of real estate and equipment. Life insurance companies, longtime sources of farm real estate credit, have been key players in the first loan pools guaranteed by the Federal Agricultural Mortgage Corporation (Farmer Mac). Insurance companies' participation in Farmer Mac is occurring at a time when they are less active in farm lending and are emphasizing agribusiness and timber investments. While insurance companies' role as farm loan originators may be declining, they may have a larger role in Farmer Mac as poolers, purchasing whole loans from lenders such as commercial banks.

Farmers in the American Southwest have seized opportunities in a little-publicized hot spot in U.S. agriculture—chile peppers. New Mexico leads in U.S. production (60 percent), followed by Texas and California. USDA has developed per capita consumption numbers for the first time, showing that chile peppers are now more popular than such vegetable staples as asparagus, cauliflower, and green peas. During the last decade, interest in chile peppers has expanded beyond ethnic communities and food faddists to mainstream America, and U.S. growers are scrambling to keep up with demand.

In parts of the U.S. Southwest, heavy rains have threatened key crops. Flooding on the Gila River disrupted harvesting in southwestern Arizona, an important growing area for lettuce and other fresh produce. Wholesale prices for iceberg lettuce in Arizona more than doubled for a short period and continued fluctuating. The state estimates its farmers could lose $100 million in crop sales.

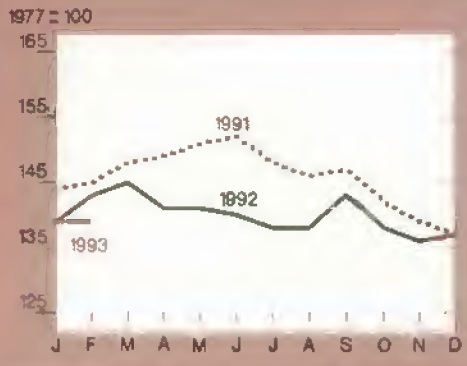
Fresh produce is figuring more heavily in USDA's food distribution programs, which traditionally focused on processed products. Heavier purchases of fresh apples over the fall and winter period reflect that change. USDA's food distribution programs, begun in the 1930's primarily to help support farm prices, today play an important role in meeting food and nutrition needs for many people. USDA distributed almost $2 billion of food in fiscal 1992 through programs like school lunches, nutrition for the elderly, and emergency assistance.

On the technology front, a new technique has been developed for recovering additional sugar from the molasses produced in sugarbeet processing. The new technique, called desugaring, is allowing sugarbeet processors to recover approximately 90 percent of the sugar normally contained in beet sugar molasses—and is expected to boost output significantly.

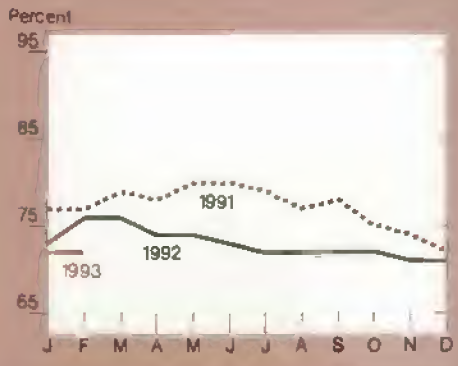
Commodity Overview — Prime Indicators

Index of prices paid by farmers

Index of prices received by farmers[1]

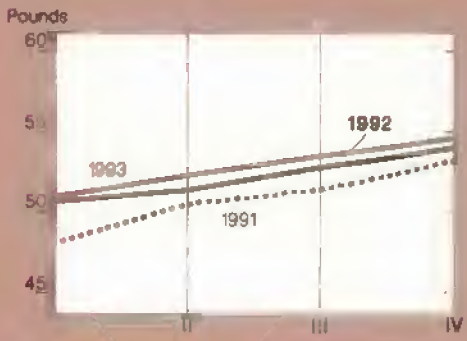


Ratio of prices received/prices paid

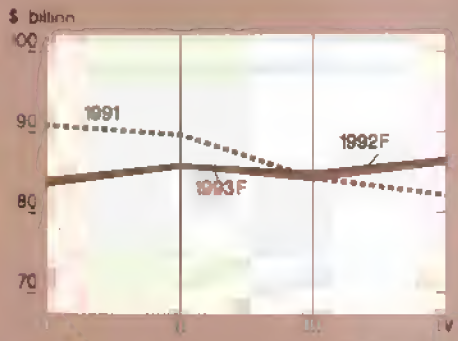


Total red meat & poultry production[2]

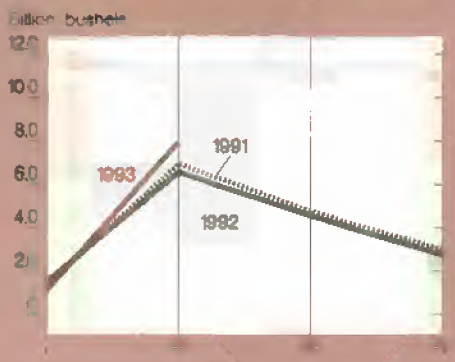
Red meat & poultry consumption, per capita[2,3]



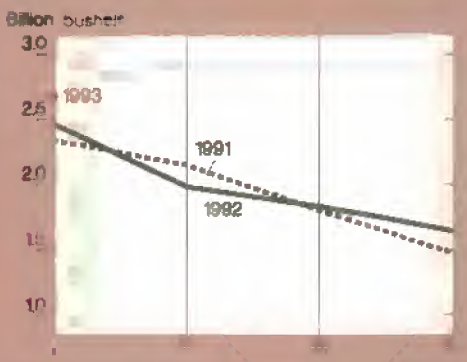
Cash receipts from livestock & products[4]



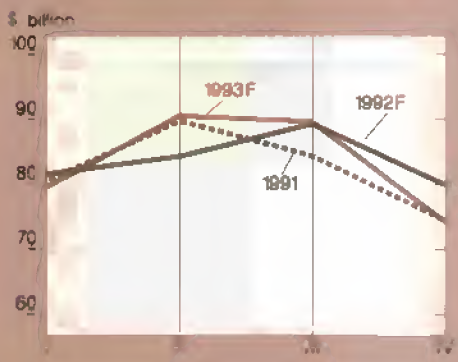
Corn beginning stocks[5]



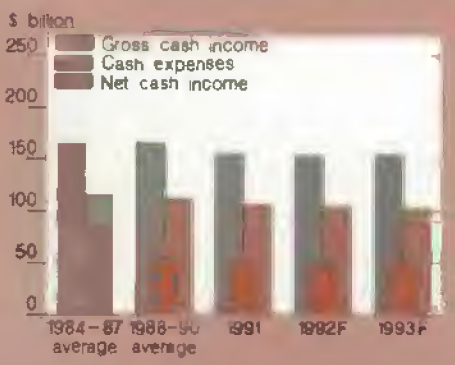
Corn disappearance[5]



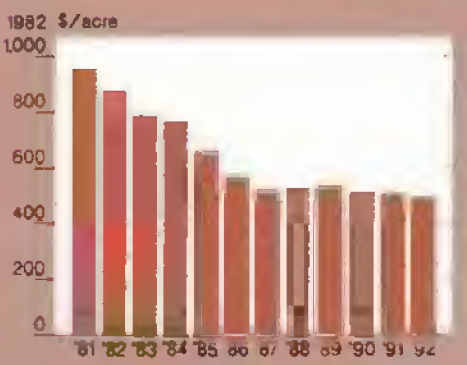
Cash receipts from crops[4]



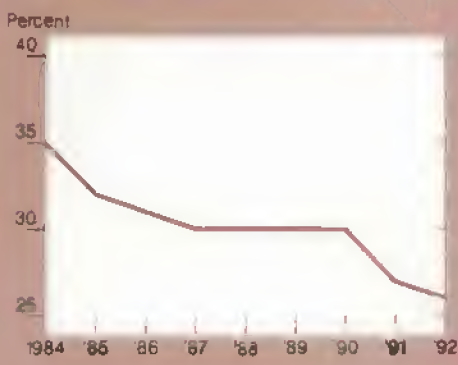
Real cash income (1987 $)[6]



Average real value of farm real estate



Farm value/retail food costs



[1]For all farm products [2]Calendar quarters. Future quarters are forecasts for livestock, corn, and cash receipts [3]Retail weight. [4]Seasonally adjusted annual rate [5]I = Sept.–Nov.; II = Dec.–Feb.; III = Mar.–May; IV = June–Aug. Marketing years ending with year indicated.

Field Crops Overview

Domestic Outlook—March Projections for 1992/93

Corn Use To Surpass 1989 Record

U.S. corn disappearance in 1992/93 is expected up more than 5 percent from last season, boosted by a record crop—and lower prices. The 1992 corn crop was up sharply, and supplies are the largest since 1987/88.

- Total disappearance in 1992/93, projected at 8.3 billion bushels, would exceed the record 8.1 billion bushels set in 1989.
- Feed and residual disappearance is projected record high, at 5.2 billion bushels, due to lower corn prices and strong livestock numbers. Food, seed, and industrial use is also poised to reach a new record. But exports, although up 4 percent from last year, are expected to be more than 750 million bushels less than their 1979/80 peak.
- The 1992 crop, at nearly 9.5 billion bushels, surpasses the previous record of 8.9 billion set in 1985.
- Because of the large crop, ending stocks for corn in 1992/93 are projected at over 2.2 billion bushels, more than double the carryin of 1.1 billion.
- The stocks-to-use ratio is projected at 26.8 percent, the highest since 1987/88, and the season-average price is forecast at $1.95-$2.15 a bushel, down from last year's $2.37.

Soybean Disappearance To Top 1982 Record

Soybean disappearance in 1992/93, forecast at 2.137 billion bushels, is up nearly 5 percent from last season. Exports are buoyed by strong sales to Asia, where higher incomes and growing livestock industries are boosting demand. Reduced rapeseed crops in Europe have also boosted U.S. exports. Near-record soybean production has helped fuel disappearance. But the large crop is weighing on prices, and is a major contributor to the large forecast increase in ending stocks.

- Total soybean disappearance, forecast at 2.137 billion bushels, exceeds

U.S. Field Crops–Market Outlook at a Glance

	Area								
	Planted	Harvested	Yield	Output	Total supply	Domestic use	Exports	Ending stocks	Farm price
	— Mil. acres —		Bu/acre	— — — —		Mil. bu	— — — —		$/bu
Wheat									
1991/92	69.9	57.7	34.3	1,981	2,888	1,135	1,281	472	3.00
1992/93	72.3	62.4	39.4	2,459	2,996	1,130	1,325	541	3.20-3.30
Corn									
1991/92	76.0	68.8	108.6	7,475	9,016	6,332	1,584	1,100	2.37
1992/93	79.3	72.1	131.4	9,479	10,582	6,695	1,650	2,237	1.95-2.15
Sorghum									
1991/92	11.1	9.9	59.3	585	727	383	292	53	2.25
1992/93	13.3	12.2	72.8	884	937	510	300	127	1.80-2.00
Barley									
1991/92	8.9	8.4	55.2	464	624	401	94	129	2.10
1992/93	7.8	7.3	62.4	456	600	360	80	160	2.00-2.05
Oats									
1991/92	8.7	4.8	50.7	243	489	360	2	128	1.20
1992/93	8.0	4.5	65.6	295	472	355	5	112	1.30-1.35
Soybeans									
1991/92	59.2	58.0	34.2	1,987	2,319	1,356	685	278	5.58
1992/93	59.3	58.4	37.6	2,197	2,477	1,377	760	340	5.40-5.55
			Lb/acre	— — —	Mil cwt (rough equiv.)		— — —		$/cwt
Rice									
1991/92	2.88	2.78	5,674	157.5	187.3	93.7	66.4	27.3	7.58
1992/93	3.17	3.13	5,722	179.1	212.1	97.6	76.0	38.5	6.05-6.35
			Lb/acre	— — — —	Mil. bales		— — — —		¢/lb
Cotton									
1991/92	14.1	13.0	652	17.6	20.0	9.6	6.7	3.7	56.80
1992/93	13.3	11.2	700	16.3	20.0	9.8	6.1	4.2	53.60*

Based on March 10, 1993 World Agricultural Supply and Demand Estimates. U.S. marketing years for exports.
*Weighted-average price for August-November, not a season average
See table 17 for complete definition of terms

Commodity Overview

Farmers Can Place More Feed Grain in FOR

On March 15, USDA Secretary Espy announced that the quantity of 1992-crop corn, sorghum, and barley allowed to enter the Farmer-Owned Reserve (FOR) will be expanded from 600 million to 900 million bushels, the maximum allowed by law in the FOR. On January 7, then-Secretary Madigan had opened the FOR to 1992-crop feed grains, but had limited the quantity allowed to enter to 600 million bushels. Some producers were concerned that the 600-million-bushel limit would be too restrictive.

The FOR offers producers an additional storage option when specified commodities are in abundant supply. Opening of the FOR depends on statutory price and stocks-to-use triggers. Since the 1990 farm act, the FOR has been opened only for 1990-crop wheat and the 1992 crops of corn, sorghum, and barley. No FOR provisions are authorized for rice or cotton. Producers must file intentions to place 1992-crop feed grains in the FOR with their local Agricultural Stabilization and Conservation Service (ASCS) office by April 30. If intentions amount to more than 900 million bushels in aggregate, ASCS will determine a prorated amount each producer may enter. A stated intention to place feed grains in the FOR does not obligate entry. FOR grain may be stored either on-farm or in approved warehouses.

Grain cannot be entered directly into the FOR, but must first be placed under a 9-month nonrecourse loan. Among other functions, these 9-month loans provide short-term financing for producers to hold commodities until later in the year when prices may be above traditional harvest-time lows. The gross value of the loan received by the producer equals the quantity of the crop placed under loan multiplied by the announced county loan rate. (See table 19 for national average loan rate levels). Grain must meet acceptable quality standards to be placed under 9-month nonrecourse loan.

For 1992 crops, had the FOR not been opened, producers holding 9-month nonrecourse loans would have had two options: repaying the loan principal plus interest at any time during the 9-month loan term, or forfeiting the crop to the Commodity Credit Corporation (CCC) at the end of the 9 months. These 9-month loans are nonrecourse in that CCC has "no recourse" other than to accept the grain in lieu of repayment of the loan and interest, provided the market value of the commodity, based on quality, covers the entire loan principal.

With the FOR open, a producer has an additional storage option when the 9-month nonrecourse loan reaches maturity. A producer can "roll over" a 9-month nonrecourse loan into the FOR, but at no greater quantity than ASCS approved for potential entry. This FOR loan matures 27 months from when the original 9-month loan matures, although the Secretary may extend the loan term for an additional 6 months. A new loan amount is not issued to the producer when grain is entered into the FOR. Rather, a producer continues to hold the 9-month loan principal based on quantity entered into the FOR. In addition, the producer receives quarterly storage payments at an annual rate of 26.5 cents per bushel. Storage payments cease for at least 90 days if prices rise to 95 percent of the target price.

Producers can redeem all or part of their FOR loans and remove their grain from the reserve at any time over the 27-month term without penalty. To redeem an FOR loan in its entirety, a producer repays the 9-month loan principal, plus interest accrued during the original 9-month period. Interest on the FOR loan only accrues for any time prices are at or above 105 percent of target price—accruing for the remainder of the month, plus another two months. Grain in the FOR not redeemed by loan repayment by the end of the 27-month period is forfeited into CCC inventories.

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the record of 2.099 billion set in 1982.

- Crush is expected to reach a record for the third consecutive year, at 1.265 billion bushels, supported by increased U.S. livestock production and strong oil demand.

- Soybean exports, forecast at 760 million bushels, are the highest since 1987/88, and up for the second consecutive year.

- Soybean output in 1992/93, estimated at 2.197 billion bushels, is the largest crop since the record 2.26 billion in 1979/80.

- The season-average price is expected to range between $5.40 and $5.55 per bushel, below the $5.58 estimated for 1991/92.

- Ending soybean stocks in 1992/93 are projected at 340 million bushels, 22 percent above carryin. Despite the rebound in ending stocks, the projected stocks-to-use ratio, at 15.9 percent, would be slightly less than that realized in 1990/91, but 2 percentage points above last season's level.

1993 Winter Wheat Crop In Good Shape

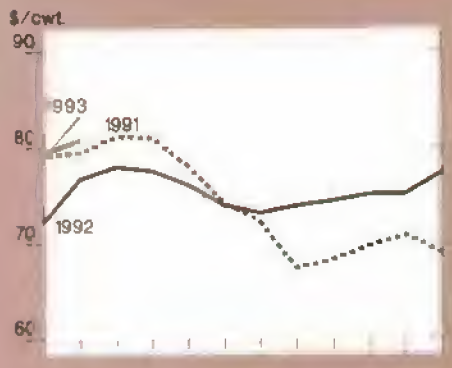
During February and early March, the 1993 winter wheat crop was reported in generally fair to good condition. Above-average precipitation was common over the Southern Plains during the month of February, and favorable moisture conditions are reported in parts of Texas and Kansas. However, crop ratings at this time of year are not necessarily good indicators of final yields. In the Southern Plains, yields are largely determined by rainfall and temperatures during the months of April and May.

- As of the second week of March, the Texas crop was rated about 51 percent good to excellent, compared with 79 percent in 1992. The High Plains crop got off to a slow, dry

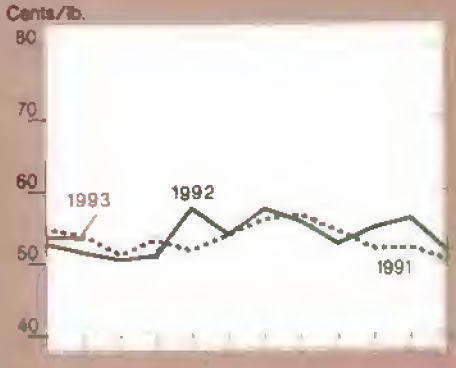
Commodity Market Prices

Commodity Overview

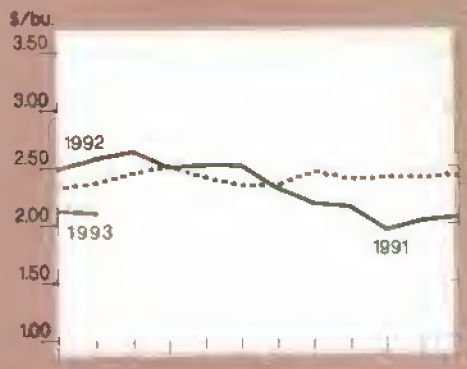
Choice steers, Nebraska



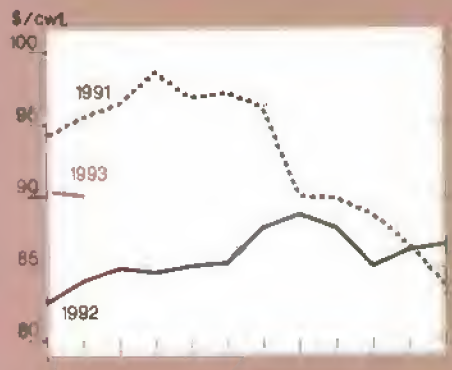
Broilers, 12-city average



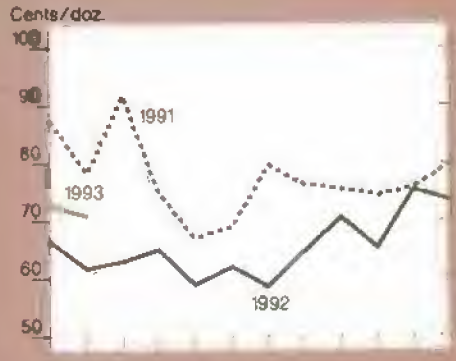
Corn, Central Illinois[1]



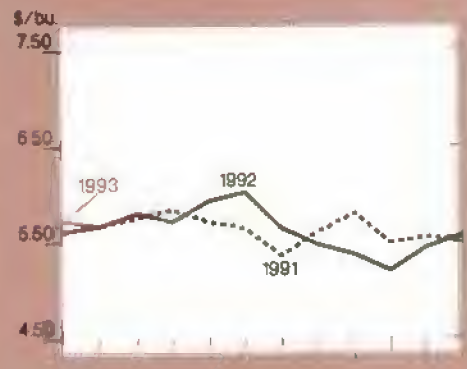
Medium steers, Oklahoma City[2]



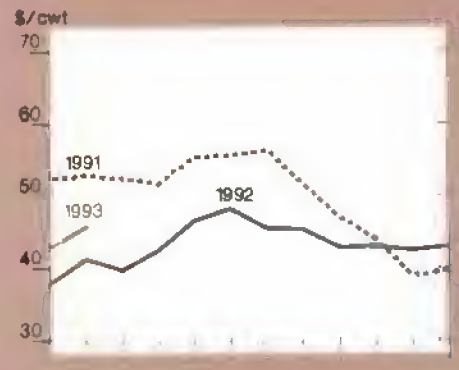
Eggs, New York[3]



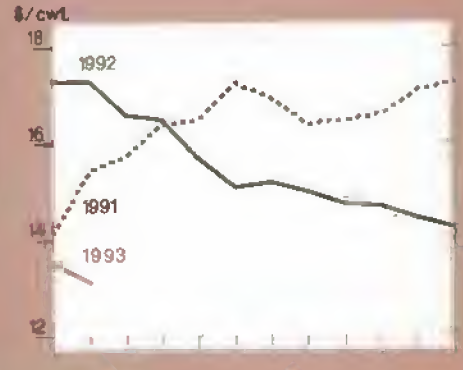
Soybeans, Central Illinois[4]



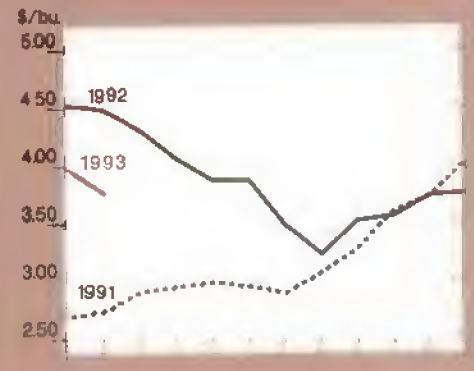
Barrows and gilts, 6 markets, Omaha



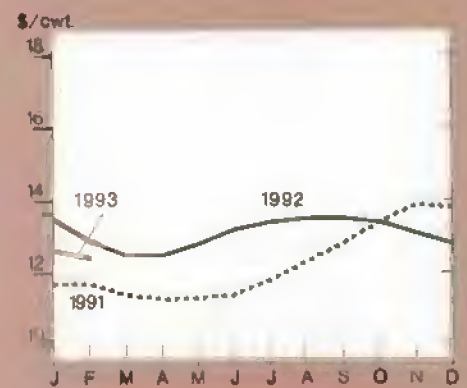
Milled rice, SW Louisiana[5]



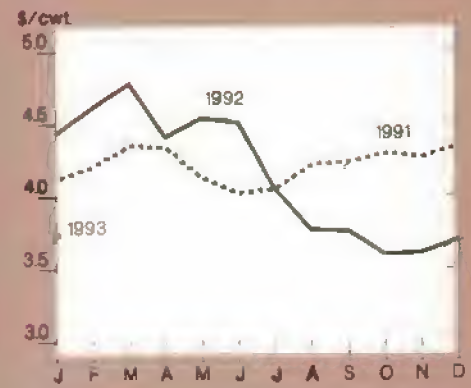
Wheat, Kansas City[6]



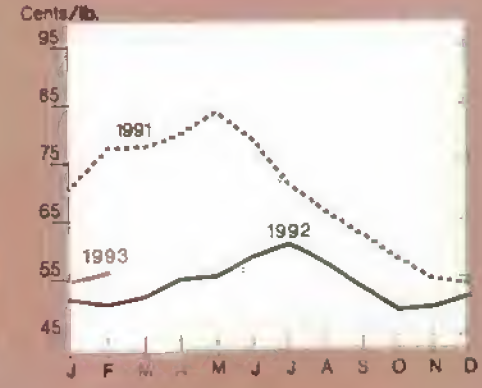
All milk



Sorghum, Kansas City



Cotton, average spot market



[1]No. 2 yellow. [2]600–700 lbs medium no. 2. [3]Grade A large [4]No. 1 yellow. [5]U.S. No. 2 long-grain. [6]No. 1 HRW.

start, although conditions improved considerably in January and February. In central Texas, February rainfall was about 150-200 percent of normal.

- The Kansas crop was rated 95 percent good to excellent as of the second week of March, compared with an average 24 percent good to excellent for the 1992 crop. The high rating this year is due largely to good moisture conditions throughout the fall and winter, along with adequate snow cover that accompanied low temperatures.

Looking at the current crop year, 1992/93 wheat supplies and ending stocks are projected up from last year.

- At nearly 3 billion bushels, wheat supplies are up 4 percent from the previous season.

- With total use forecast up 2 percent, ending stocks are projected at 541 million bushels. Although ending stocks are forecast up nearly 15 percent from a year earlier, this would be the third-lowest carryout since 1974/75.

- Given the relatively tight stocks, the season-average price is expected in the range of $3.20-$3.30 per bushel, up from the $3 estimated for 1991/92.

Domestic Rice Use To Set Another Record

Rice production in 1992 is the largest since 1981 and the second highest on record. Supplies are expected to be the largest since 1986/87. The large supplies, along with lower prices, are boosting disappearance.

- Production is estimated at 179.1 million cwt, up 14 percent from 1991's level.

- Total rice use, projected at 173.6 million cwt, is expected to set a new record in 1992/93. While domestic and residual use is forecast to reach a record for the third consecutive year, exports are projected at far less than their 1980/81 peak.

- Domestic/residual use and exports are expected up 4 and 14 percent from the 1991/92 levels.

- Ending stocks are forecast at 38.5 million cwt, 41 percent above the carryin level.

- Prices are expected in the range of $6.05-$6.35 per cwt for 1992/93, below this past year's $7.58. Except for 1986/87, the season-average price has not been this low since the early 1970's.

Cotton Mill Activity Continues Strong

Cotton supplies in 1992/93 are forecast at nearly 20 million bales, identical to 1991/92. Textile mill activity is strong, but foreign competition, particularly from the former Soviet Union, Pakistan, and China, is dampening the export outlook.

- Strong demand, competitive prices, and the improving economy boosted the March forecast of 1992/93 mill use to 9.8 million bales, up nearly 200,000 bales from 1991/92. If realized, mill usage would be the largest since 1950/51.

- Despite the strong mill situation, total cotton use in 1992/93, projected at 15.9 million bales, is expected to fall 2 percent from the 1991/92 level.

- While domestic use is strong, exports are expected down 8 percent, at 6.1 million bales, due to foreign competition.

- This season's ending stocks are projected at 4.2 million bales, up 14 percent from the carryin level.

[Joy Harwood (202) 219-0840]

Global Market: Outlook for 1992/93

World Wheat Trade To Fall

A larger crop, declining use, uncertainty surrounding financial assistance for the former Soviet Union (FSU), and a sharp decline in China's imports will contribute to a drop in 1992/93 world wheat trade. Increased sales to Africa and Eastern Europe will offset some of the decline. Major competitors' exports are projected to fall. But their market share and that of the U.S. will increase at the expense of smaller exporters.

- World trade is forecast down 9 percent.

- Major competitors' export share is expected to rise to 57 percent. The EC is expanding sales to the FSU and Eastern Europe. With a larger crop, Australia's exports will be up, but Canada's will be down because of quality problems.

- U.S. exports, at 35.5 million tons, are forecast up slightly from 1991/92, and market share is expected to rise to 36 percent.

- Exports from smaller suppliers are expected to fall more than 50 percent, reflecting reduced supplies.

1993/94 Foreign Wheat Area May Recede

While winter weather through March has been favorable for winter wheat in many parts of the northern Hemisphere, dry conditions in north Africa and southern Europe are causing concern.

- CAP reform provisions and weather problems are expected to lead to small declines in EC winter wheat area in 1993/94.

- Assuming normal weather, production in Eastern Europe is likely to

World Wheat Trade Drops, Coarse Grain Output Climbs

	Year [1]	Production	Exports [2]	Consumption [3]	Carryover
			Mil. tons		
Wheat	1991/92	542.9	108.2	560.3	126.5
	1992/93	557.8	98.8	550.7	133.7
Coarse grains	1991/92	797.9	93.6	804.4	129.6
	1992/93	848.1	90.1	820.7	157.0
Corn	1991/92	483.9	61.6	484.7	77.8
	1992/93	527.4	60.8	501.0	104.2
Rice	1991/92	348.2	15.1	353.0	55.3
	1992/93	351.3	14.4	354.4	52.2
Oilseeds	1991/92	223.7	36.9	185.7	21.2
	1992/93	225.4	38.6	185.2	22.4
Soybeans	1991/92	106.8	28.1	92.8	18.1
	1992/93	115.2	31.2	95.4	19.9
Soybean meal	1991/92	73.5	28.9	73.3	2.9
	1992/93	75.6	27.3	74.5	3.2
Soybean oil	1991/92	16.9	4.2	16.1	2.2
	1992/93	17.0	4.3	17.1	1.8
			Mil. bales		
Cotton	1991/92	95.9	22.4	85.0	40.7
	1992/93	83.2	22.2	85.0	38.8

[1] Marketing years are wheat, July-June; coarse grains and corn, October/September, oilseeds, soybeans, meal, and oil, local marketing years except Brazil and Argentina adjusted to October-September; cotton, August-July. [2] Rice trade is for the second calendar year. [3] Crush only for soybeans and oilseeds

increase from the drought-reduced 1992/93 crop.

- Winter grain area in the FSU is down 10 to 12 percent because delays in harvesting summer crops prevented planting in the autumn of 1992 in some regions.

- The area planted to winter wheat in China remains uncertain because government pressure to plant food grains may be great enough to offset economic incentives to switch to more profitable crops.

Course Grain Prospects Good in S. Hemisphere

Southern Hemisphere harvests in most areas are underway or starting soon. Most of southern Africa will harvest sharply higher corn crops in 1992/93 as the region recovers from severe drought.

- Despite erratic weather early in the growing season, the biggest gains are expected in the Republic of South Africa, where corn production is forecast at 8 million tons, nearly 5 million more than last year.

- Corn imports by southern African countries are likely to slow for the remainder of the October-September year as domestic supplies increase. However, shortages will remain in some areas and donations will continue to be important.

- Argentina is expecting another bumper corn crop, forecast up 4 percent, the fourth consecutive annual increase.

- Brazil's corn crop is expected to fall from last year's record due to some switching of area to soybeans, but is forecast to be the second highest ever.

Abundant Rice Supplies Drive Prices Lower

Major competitors' abundant exportable supplies, combined with smaller calendar 1993 world import demand, have created a very price-competitive international rice market. Nevertheless, lower U.S. export prices are projected to improve U.S. competitiveness.

- U.S. exports are forecast up 14 percent to 2.4 million tons for calendar 1993.

- The weekly announced world price for milled long grain rice was $178 per ton (whole kernel basis) on March 9, the lowest since September 1987.

- Total 1992/93 foreign rice production is projected up 2.4 million tons to 345.6 million, as the U.S. crop also rises.

- Global demand drops as Indonesia switches from importing 650,000 tons in 1992 to exporting 400,000 tons in 1993.

U.S. Soybean Export Outlook Strong

U.S. soybean exports are forecast up despite enhanced crop prospects in Argentina and Brazil. Increased use in Western Europe and reduced exports from China buoy demand for U.S. soybeans, despite the forecast of reduced FSU import demand for soybeans and meal due to slow sales to date and credit problems.

- U.S. soybean export forecast is raised to 20.7 million tons.

- Good growing conditions in South America are boosting Brazil's crop

to a forecast 21.3 million tons and Argentina's to equal the record 11.5 million tons.

- The short rapeseed crop in Europe is aggravated by increased rapeseed exports. Reduced rapeseed crush is encouraging increased imports of soybeans from all sources.

- A dramatic 60-percent drop is forecast in China's soybean meal exports, as domestic demand rises.

Shrinkage in World Cotton Stocks

Global cotton ending stocks continue to decline slowly as 1992/93 production estimates drop for China, Pakistan, and Brazil. U.S. exports remain sluggish due to abundant global fiber supplies and weak demand from cotton yarn manufacturers.

- Expected U.S. exports slip to 6.1 million bales, 8 percent below last year. Although projected world stocks are down 5 percent from last year, stocks still exceed 1990/91 by 10 million bales.

- China's official statistics place 1992/93 outturn at 20.8 million bales, down 5.3 million from the previous year and slightly below the earlier USDA estimate.

- Pakistan's flood-damaged crop is reduced further, to 7.2 million bales, as deliveries to gins fall short of anticipated levels.

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Livestock, Dairy & Poultry Overview

1993 Retail Beef Prices To Match Last Year's

Winter storms continued to reduce weight gains and delay marketings during February and March. These delays will keep first-quarter beef production below a year ago. Still, inventories of cattle on feed remain large, and as temperatures begin to moderate, feed conversions will improve along with the number of cattle moving to slaughter. These supplies are likely to lead to lower prices in the coming months.

- First-quarter production will fall 2 percent below last year rather than increasing 1 percent as originally forecast for the quarter.

- Steer and heifer slaughter did pick up during February and were about even with last year, but weights continued to average nearly 20 pounds below the same period in 1992.

- February 1 cattle-on-feed inventories rose 11 percent from a year earlier. January marketings were at the lowest level since 1976.

- Cattle prices could drop into the low- to mid-$70's per cwt this spring, down from an $80 average in the first quarter, if marketings become burdensome.

The value of beef exports exceeded imports for the first time in 1992. The U.S. imports nearly twice as much beef and veal by weight as it exports, but imported beef comes mainly from grass-fed cattle, while exports are higher valued cuts from grain-fed animals. Over 70 percent of beef imports are frozen, coming mainly from Australia and New Zealand. Shipments of fresh and chilled beef came mainly from Canada last year, with Central American countries accounting for most of the remainder.

- The total value of beef and veal exports exceeded $2 billion in 1992, with about half of this fresh and chilled and the other half frozen.

- Ample supplies of imported beef held over in bond from November 1992, as well as a preference by some distributors and manufacturers for U.S. beef, led to a price discount of $20 per cwt on imported cow beef early in 1993. That spread disappeared in March.

Retail beef prices are rising, and higher prices were expected through March, before a break in live cattle and cut-out values starts prices trending seasonally lower.

- Prices for domestic cow beef have risen sharply over the past several months, aided by seasonally lower cow slaughter and good retail movement.

- Retail beef prices averaged $2.93 per pound in February, 10 cents above last year. For the year, retail prices are expected to average about $2.85 per pound, unchanged from 1992.

Pork Prices Rally, Exports Up Sharply

Hog and wholesale pork prices rallied in February and early March as fed cattle marketings and hog slaughter were lower than expected. Hog futures also rallied, providing producers an opportunity to hedge hogs at a profit at least until fall. Wholesale pork prices are expected to remain low relative to beef, despite the supply-induced price rally in February and March.

- Weekly slaughter rates averaged about 1 percent lower than a year ago through mid-March.

- First-quarter indicators—the December 1 market inventory of hogs weighing 60-179 pounds and the June-August pig crop—were up 4 and 6 percent from a year earlier.

- Retail pork prices in February averaged $1.94 per pound, down 6 cents from a year ago.

Pork imports in 1992 from most major markets, with the exception of Canada and the Netherlands, were substantially below 1991. The decline was especially noticeable in imports from Eastern Europe. Pork imports are projected to grow slightly in 1993. Imports from Denmark may increase as European Community (EC) pork prices continue to decline.

U.S. pork exports in 1992 were considerably above 1991, due to the large increase in sales to Japan and Mexico. In Japan, U.S. pork was very price competitive with pork from Taiwan, Japan's largest supplier. The increase in sales to Mexico was due to restrictions on live hog exports. The shift from hog exports resulted from stricter enforcement of Mexican health regulations.

- U.S. pork imports in 1992 totaled about 646 million pounds, 17 percent below 1991. Pork imports are projected to reach about 650 million pounds in 1993.

- U.S. pork exports in 1992 were about 407 million pounds, 44 percent above 1991.

Update on Beef, Pork, and Eggs

	Annual			1992		1993
	1990	1991	1992	Nov.	Dec.	Jan.
Cattle on feed, 7 states *(1,000 head)*						
Number on feed	8,378	8,992	8,397	8,584	8,894	9,073
Placed on feed	21,030	19,704	20,498	1,843	1,694	1,611
Marketings	19,198	19,066	18,623	1,442	1,414	1,489
Other disappearance	1,218	1,233	1,199	91	101	130
Commercial slaughter *(1,000 head)*						
Cattle	33,241	32,690	32,863	2,558	2,703	2,669
Steers	16,587	16,728	17,135	1,270	1,383	1,334
Heifers	10,090	9,725	9,236	706	710	753
Cows	5,920	5,623	5,839	531	560	533
Bulls & stags	644	614	653	51	50	49
Calves	1,789	1,436	1,371	113	124	104
Sheep & lambs	5,654	5,722	5,493	428	478	393
Hogs	85,136	88,169	94,862	7,983	8,360	7,832
Commercial production *(mil. lbs.)*						
Beef	22,634	22,800	22,958	1,763	1,855	1,823
Veal	316	296	300	23	26	22
Lamb & mutton	358	358	344	27	29	25
Pork	15,300	15,948	17,160	1,454	1,524	1,435
Eggs						
Farm production *(mil.)*	67,987	69,352	70,581	5,904	6,088	5,966
Average no. of layers *(mil.)*	270	275	278	281	281	282
Rate of lay *(eggs per layer on farms)*	251.7	252.4	253.9	21.0	21.7	21.3

See tables 13 and 16 for complete terms and definitions.

Broiler Outlook Continues Favorable

Continued strong demand for broiler meat in domestic and international markets and positive net returns to producers and processors are leading to increased broiler production. Contributing to the rise in production are increased average slaughter weight, due to genetic improvements, and increased demand for processing birds with more white meat.

- Broiler production in 1993 will likely increase about 4 percent to nearly 22 billion pounds, following a 6.6-percent increase in 1992.

- First-quarter 1993 production was 4 percent above a year earlier. Second-quarter output will likely increase 4-5 percent from a year ago to about 5.5 billion pounds, compared with growth last year of over 5 percent.

- Output forecast reflects a 4-5-percent gain in weekly placements during February and an estimated 5-percent increase during March.

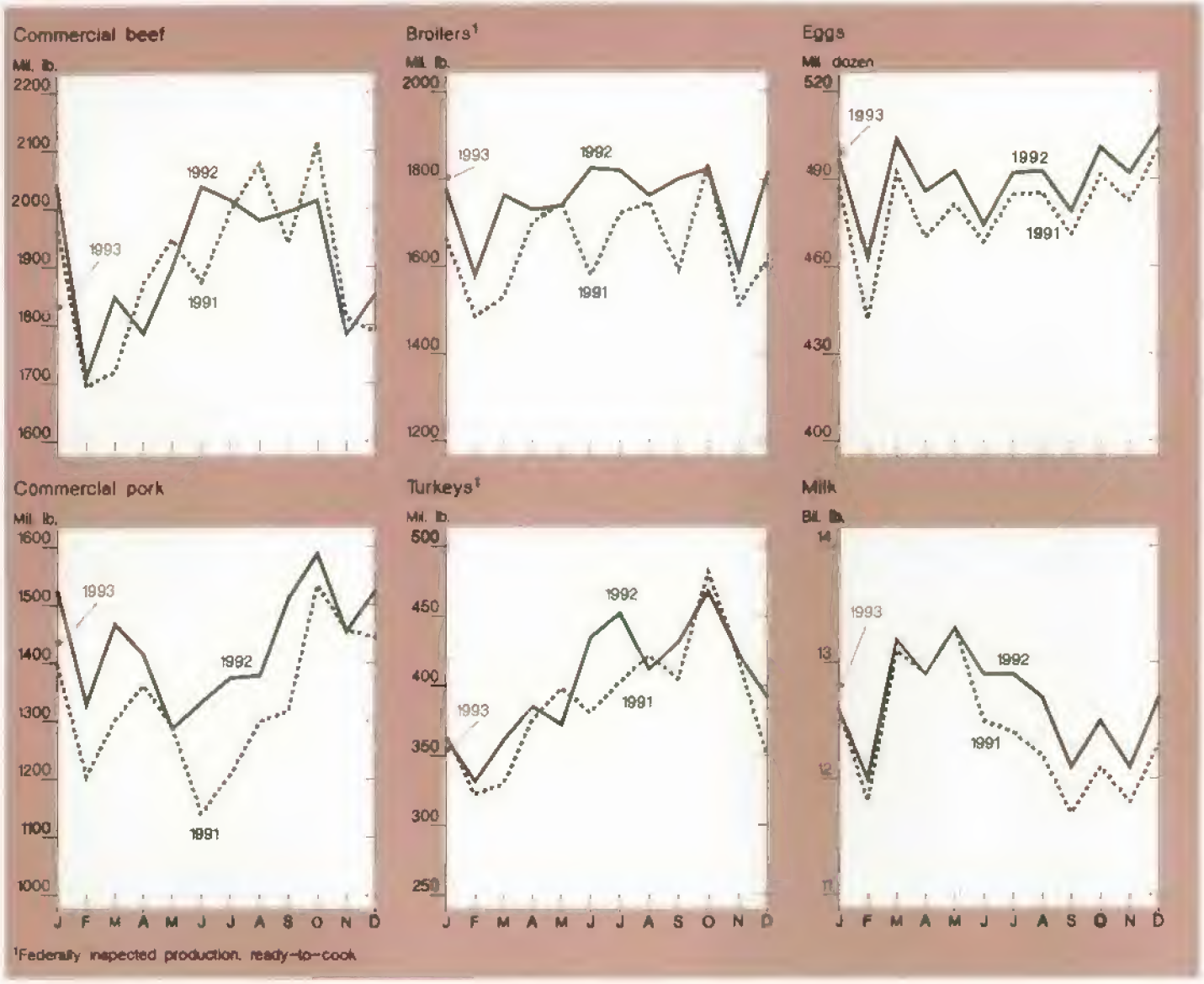
Steady to higher broiler prices are expected in 1993. Consumption should increase, aided by steady retail prices that compare favorably with increasing beef prices, and availability of broiler meat in convenient forms for at-home and away-from-home consumption.

- Wholesale prices for whole birds are expected to average 50-56 cents a pound in 1993, compared with 52.6 cents in 1992.

- First-quarter prices are estimated at 53-54 cents per pound, compared with 50.2 cents in 1992. March's price was about 54 cents, compared with 50 cents a year earlier.

- Retail prices for whole broilers in 1993 will be similar to a year ago, at 85-89 cents a pound. First-quarter retail prices are estimated slightly

Commodity Overview — Livestock & Product Output



above a year earlier, at 87-88 cents per pound, reflecting higher wholesale prices. Second-quarter prices are also expected in the high 80's.

- Per capita broiler consumption is expected to increase about 2 pounds in 1993, to around 69 pounds, retail basis.

The world poultry market continues to expand. Attractive prices for leg quarters keep U.S. exports at record levels. The Pacific Rim, Mexico, and Canada will continue as major import markets. Per capita consumption of broiler meat is rising in most Pacific Rim countries, and Mexican consumption of low-priced broiler meat is growing rapidly as U.S. parts are competitively priced in the Mexican market. Canada restrains its production with continuing supply control measures and domestic pressures to increase imports.

The Export Enhancement Program (EEP) has continued to help whole-bird exports in early 1993, mainly to the Middle East. However, EEP sales are not a major factor in the broiler export market, as they accounted for less than 3 percent of broiler meat exports in 1992.

- U.S. broiler exports rose 18 percent to a record 1.5 billion pounds in 1992. Export value was $660 million. Exports represented 7 percent of broiler production.

- Exports are expected to reach 1.6 billion pounds in 1993, with the U.S. retaining its position as the world's largest broiler exporter.

- Export growth is expected in large markets such as the Pacific Rim, Mexico, and Canada, as well as in many smaller markets whose combined imports increased threefold to over 200 million pounds in 1992.

Slow Growth Seen For Turkey Output

Positive returns during late 1992, together with expectations of lower feed costs, are major factors influencing growth in turkey output, particularly later in 1993. Continued expansion in exports and an improved economy are also expected to support growth. But expansion will likely be slow, reflecting continuing poor returns to producers on a whole-bird basis over a number of years.

- Turkey output is projected to grow slowly, 2 percent in 1993, compared with 3.8 percent during 1992.
- First-quarter 1993 production is estimated slightly above a year earlier, based on poult placements last fall and preliminary slaughter numbers. Placements in December and January were slightly below a year earlier, indicating that second-quarter production will also be little changed from a year earlier.
- Production is expected to rise in the major producing states of North Carolina, Minnesota, Arkansas, Virginia, and Missouri, but decline in California and Indiana.

Turkey prices were low in 1992, due to larger supplies of pork and turkey meat, and prices are expected to be about steady to slightly higher in 1993. Some strengthening is expected in March for the Easter market. Net returns in 1993 are likely to improve slightly over 1992 and average near breakeven, helped by lower feed costs. Losses are occurring in the first quarter, although less than in recent years. Second-quarter returns are expected close to breakeven and probably sufficient to encourage year-over-year increases in poult placements for fall production.

- Wholesale prices for Eastern region hens are estimated at 57-58 cents per pound in the first quarter, compared with 56.2 cents a year earlier.
- Second-quarter prices are expected to rise seasonally to around 60 cents, about the same as a year earlier.
- On February 1, total stocks were 314 million pounds, 16 percent above January 1, but 4 percent below a year earlier as stocks of other turkey declined. Whole bird stocks were 199 million pounds, 3 percent above a year earlier.
- Per capita consumption for the year is estimated at 18 pounds, about the same as in 1992.

Record turkey exports are likely in 1993. Competitive U.S. prices, some lowered trade barriers, and the introduction of turkey into new markets have helped growth. U.S. exports are expected to continue growing in Mexico, South Korea, and Hong Kong, as well as in many smaller markets. Mexico has quickly become a leading importer of turkey, surpassed only by Germany in world totals. Production in Mexico remains low and relatively costly while consumption is growing rapidly.

- In 1993, U.S. turkey exports are expected to increase for the fourth consecutive year, to an estimated 180 million pounds, as U.S. producers supply the growing world market. Turkey exports have grown rapidly from 1.2 percent of production in 1990, to 3.5 percent in 1992.
- Exports to Mexico increased sharply again last year, accounting for about 60 percent of total exports. South Korea accounted for about 10 percent, followed by the United Kingdom.
- World turkey exports increased about 18 percent per year from 1989 through 1992.

Egg Production Up in 1992

While commercial egg production facilities are located throughout the country, 10 states produced over 60 percent of the total in 1992. Production increased in five of these states—Pennsylvania, Ohio, Texas, Iowa, and Minnesota.

- California remained the largest producer, with nearly 10 percent of the U.S. total, although its production declined from 7.4 billion dozen in 1991 to 7 billion.
- Pennsylvania replaced Indiana as the second-largest producer.
- Iowa's production increased nearly 30 percent, making it the eighth-largest producer and reflecting new investments in large in-line complexes producing for the egg product markets.

Revised data from the *Layers and Egg Production: 1992 Summary* shows the following:

- Total egg production in 1992 rose almost 2 percent from a year ago to 5.9 billion dozen.
- Table-egg numbers climbed nearly 2 percent to slightly over 5 billion dozen, the largest total since 1988.
- Total laying flock and table-egg laying flock averaged 277.9 and 233.8 million hens during 1992.
- Annual average production per hen increased in 1992 from 252 to 254 eggs.

Commodity Overview

Total egg production in 1993 is expected fractionally above 1992. Egg prices will likely gain in 1993, with lower per capita egg supplies expected. Improved net returns are anticipated, given stronger egg prices and lower feed costs.

- Total production is expected to be just over 5.9 billion dozen.
- Hatching-egg output is projected to increase around 3 percent. Table-egg production will be little changed from 1992. The table-egg flock remains relatively large, at 237 million layers on February 1—1 percent above a year earlier.
- Wholesale prices for New York large eggs will average 70-76 cents per dozen, 7-8 cents above 1992. Retail prices will likely average in the low 90's, about a nickel above 1992.
- Per capita consumption of 232-233 eggs is expected, a slight decrease from 1992 when per capita consumption rose to 235 eggs.

Lower egg prices encouraged exports in 1992. Table-egg exports increased to the Middle East and to Mexico. Exports to Hong Kong were unchanged, but slightly lower to Japan, where production rose, and to Canada, where consumption declined. Subsidized EC egg product imports provided intense competition in the large Japanese market in 1992. Other competitors in the Japanese egg market are Canada, Brazil, Thailand, and Israel.

- Total U.S. egg export volume rose for the third consecutive year in 1992, to 157 million dozen equivalent.
- Value of U.S. egg exports declined about 5 percent to around $135 million.
- Exports of table eggs were aided by sales of about 38 million dozen to Hong Kong and the Middle East through the EEP.
- Table-egg sales to Hong Kong under EEP totaled about 24 million dozen during 1992.

Continued competitive U.S. prices and EEP sales are expected to keep U.S. exports strong in 1993. Total U.S. egg exports are expected to be about 160 million dozen equivalent. The U.S. is maintaining a lead in supplying egg products to Japan and may be able to increase these exports in 1993. Hong Kong is expected to continue to be a big market for U.S. table eggs, but China remains the largest supplier. Table-egg exports to Canada are expected to hold about steady.

Milk Output Steady In 1993

Milk cow numbers are expected to fall slightly throughout the year as milk prices remain below a year earlier. Milk-feed price ratios are not likely to encourage large increases in concentrate feeding. Milk per cow may also be weakened by feed quality problems. Milk production is expected to reach about 151.5 billion pounds.

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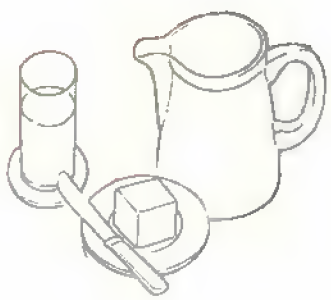


Specialty Crops Overview

Apple, Citrus Prices Down from 1991/92

U.S. apple prices will endure downward pressure in the 1992/93 season due to a record-large domestic crop and weakened export demand, the result of larger 1992 crops in Argentina and Europe. Large orange crops in Florida and Brazil are pushing down orange juice prices, while grapefruit prices are under pressure because of near-record production in Florida. The damage to Florida citrus from cold temperatures and high winds was minimal.

- The 1992 U.S. apple crop is estimated at 10.8 billion pounds, up 9 percent from 1991 and the largest on record.
- Holdings of apples for fresh market and processing on March 1, 1993 were 24 percent above a year earlier, according to the International Apple Institute. Stocks intended for fresh market were up 23 percent, while those intended for processing were up 26 percent from the previous March.
- Grower prices for fresh apples in February averaged 28 percent below February 1992.
- U.S. import prices from November 1992 through February 1993 for concentrated apple juice averaged 40 percent lower than a year earlier.
- Fresh apple exports from August to December 1992 were off 2 percent from a year earlier, due primarily to a 76-percent drop in exports to the European Community.

- Near-term futures for frozen concentrate orange juice fell as low as 65 cents per pound of solids in February from $1.42 a year earlier, but rebounded to 75 cents by mid-March.

- Season-to-date shipping point prices for fresh Florida grapefruit were 10 to 20 percent below a year earlier.

USDA Shops For Apples

Purchases for USDA food programs have traditionally focused on processed products, which can be stored for longer periods than fresh produce. But over the fall and winter period USDA made relatively large purchases of fresh-market apples for distribution in its food programs.

The March 1993 purchase was the second since growers harvested the record-large 1992 apple crop and marks the first time since 1989/90 that USDA made a second purchase of fresh-market apples in a season. Nevertheless, total fiscal 1993 purchases of fresh-market apples will amount to only 5.6 million pounds, about a tenth of 1 percent of U.S.-grown apples sold to the fresh market in 1992/93, about the same as last year.

Because the amount of fresh-market apples purchased by the government is small relative to supply, the impact on fresh-market prices is probably slight. However, a secondary benefit of purchase programs for growers is product exposure. Food program participants, after enjoying the crunch of a fresh apple, may buy more.

USDA has also stepped up purchases in 1992/93 of processed apples, including juice, applesauce, and apple slices. With the larger crop and resulting lower prices, USDA has been able to stretch its food program budgets farther than last year. As of mid-February 1993, the volume of processed apple purchases was running about 40 percent ahead of 1991/92. Processed apple purchases in fiscal 1992 amounted to about 100 million pounds (farm-weight equivalent), or about 2.2 percent of the apples processed from the 1991 harvest.

Grower prices for processed products are much more likely to benefit from government purchases than fresh apple prices. Government purchases help reduce carryover stocks of processed apple products, which may avoid depressing prices the following season. The farm value of production for processing apples totaled $360 million in 1991/92, 21 percent of the total value of apple production.

Price support was the primary objective of USDA's food distribution programs when they began in the 1930's. Today the programs also play an important role in meeting food and nutrition needs for many. USDA distributed almost $2 billion of food in fiscal 1992 to needy people through its food programs—the National School Lunch Program, Nutrition Program for the Elderly, Donations for Charitable Insitutions, Emergency Food Assistance Program, Commodity Supplemental Food Program, and Food Distribution Program on Indian Reservations. Among the commodities purchased are fresh and processed fruits and vegetables, grain products, dairy products, and frozen and canned meats.

USDA's Food and Nutrition Service provides states with food, funding, and technical assistance to operate distribution programs, while states determine administrative details of intrastate food distribution and eligibility of participants. USDA's Agricultural Marketing Service facilitates purchases from firms that deliver commodities/food to central points in each state. The mix of commodities distributed under USDA's purchase programs remains relatively constant from year to year, but some commodities are added or dropped as tastes change and market conditions warrant.

[Dennis Shields (202) 219-0883]

- The late winter storm and subfreezing temperatures on March 13 and 14, 1993, may have damaged the Southeast's early peach crop, especially in Georgia.

Flooding Threatens Arizona Produce

Flooding on the Gila River during March disrupted harvesting in Southwestern Arizona, an important producing area for lettuce, broccoli, cauliflower, cantaloupes, and lemons. Of greatest concern is the lettuce crop. Arizona usually supplies about 70 percent of the nation's iceberg lettuce supplies during March.

- F.o.b. prices for iceberg lettuce in Arizona more than doubled for a short period, and have fluctuated between $3 and $25 per carton since February.

- Overall loses to Arizona's farmers could total $100 million according to the Arizona Department of Agriculture.

Heavy rains in the major California and Florida spring fresh vegetable areas have delayed planting for spring harvest. Intermittent supply gaps and temporary price surges are expected during April and May for commodities such as tomatoes, lettuce, celery, and broccoli.

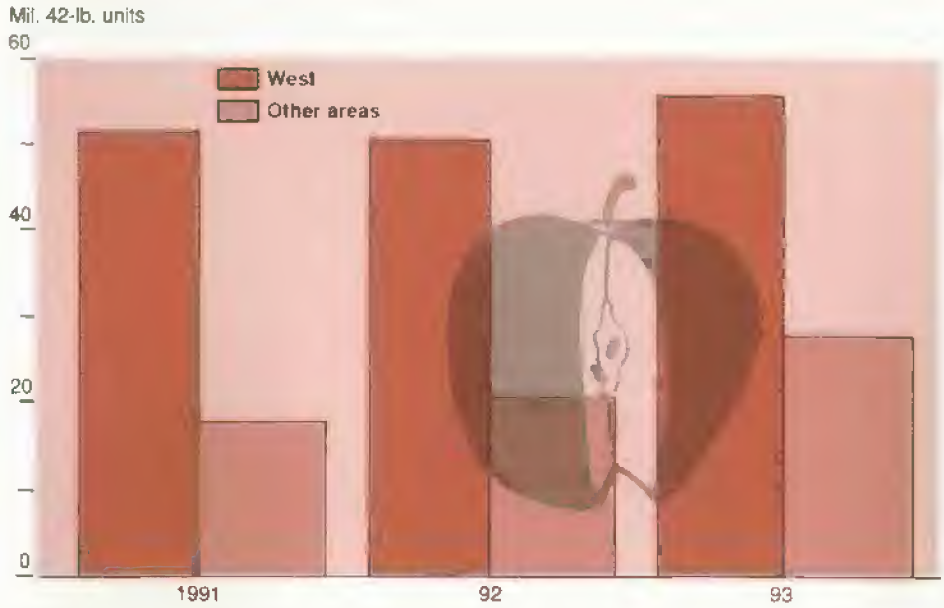
- As of early March, area planted for spring tomato harvest in Florida was 25 percent behind a year ago.

- Heavy rains in Southern California since January 1 at times pushed f.o.b. prices for celery and leaf lettuce to nearly triple the normal February and March average.

- The grower price index for all vegetables during the spring could average as much as 10 percent above a year earlier due to weather-related supply gaps.

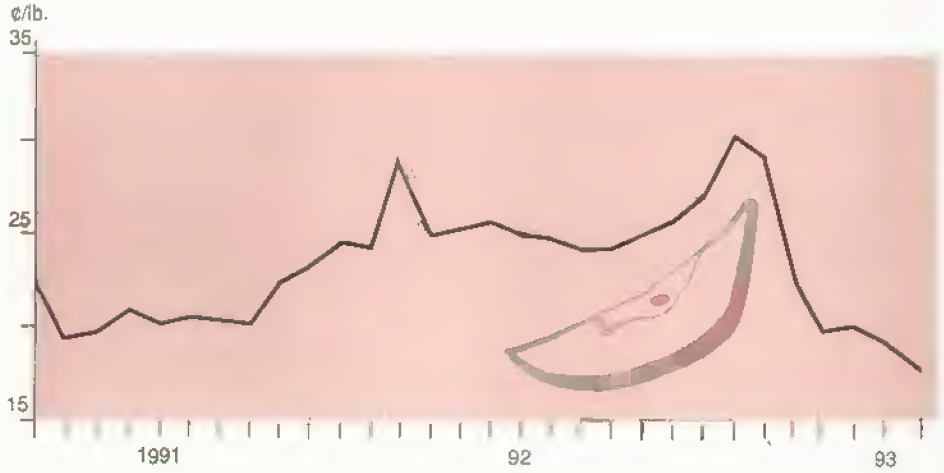
Commodity Overview

Large Apple Holdings. . .



Total amount of all varieties in storage on February 1. West comprises Idaho, Colorado, New Mexico, Utah, California, Oregon, and Washington.
Source: International Apple Institute.

. . .Will Likely Keep Prices Down



Beet Sugar Supplies Pressure U.S. Prices

New technology for desugaring molasses has prompted an upward revision in projections for fiscal 1992/93 beet sugar output. Between September and March, the estimates increased by 200,000 short tons, raw value. Expected ending stocks are larger than the September estimate, and consistent with weak sugar prices for January and February 1993. World sugar prices were bolstered during March by reports of lower-than-anticipated production in two major exporting countries—Thailand and Cuba.

- Total sugar production for fiscal 1993 is estimated 471,000 tons higher than last year due to 12-percent-higher beet sugar production.
- Refined beet sugar prices (Midwest, f.o.b. plant) averaged 23 cents in February, down from 26.5 cents a year earlier.

Molasses Desugaring Lifts Beet Sugar Output

The U.S. beet sugar industry is installing equipment that will boost output by extracting additional sugar from the molasses produced in sugarbeet processing. With traditional processing techniques, approximately 15 percent of the sugar content of sugarbeets is recovered as molasses, a relatively low-value byproduct. By desugaring, processors recover up to 90 percent of the sugar normally contained in beet sugar molasses. A short ton of beet molasses contains about 960 pounds of sugar, 860 pounds of which is potentially recoverable with the new technology.

Five desugaring facilities have come on line within the past four years, and another is due to begin operating in the fall of 1993. If all the beet molasses produced in 1992/93 had been desugared, beet sugar output would have been 560,000 tons higher.

Spurring growth in desugaring has been the commercial availability of recently developed ion exclusion technology. The U.S. corn wet milling industry first employed the technology commercially in producing high-fructose corn syrup. At present, commercial molasses desugaring is limited to beet molasses because certain characteristics make it technically easier to desugar than cane molasses—and more attractive economically. But the potential exists for extending the technology to commercial desugaring of cane molasses—a development that could further enhance cane sugar supplies by the late 1990's.

The difference in the value of sugar in molasses and its value as refined sugar justifies the cost of installing molasses desugaring equipment. In 1991, sugar sold in the form of molasses returned only 7 or 8 cents a pound in the Great Plains. This compares with the 1991 Midwest market wholesale refined sugar price of 25.65 cents a pound. Some industry sources indicate that, given the present price

difference between molasses and refined sugar, investment in beet molasses desugaring facilities pays for itself in about 3 years.

Desugaring operations also permit more efficient use of sugarbeet processing plants and equipment. Processors typically run the desugaring operations after the normal beet slicing and sugar production period, or "campaign," has ended. This strategy extends operating campaigns, increases operating efficiencies, boosts capacity, and provides fuller utilization of formerly idled plant and equipment, utility systems, and personnel.

As one industry source noted, beet molasses desugaring operations not only yield products with higher value added, but also reduce the long-time bane of the industry—idle plant and equipment. Plants formerly operating for 90 to 120 days now can extend their sugar-making campaigns to more than 300 days per year.

As more beet molasses is desugared, the supply of domestically produced "traditional" beet molasses will decrease. Imports are expected to rise, and less domestic beet molasses will be used in cattle feed. Molasses can constitute between 10 and 15 percent of the normal ration for cattle. But because of its laxative effect, only 2 to 5 percent of poultry rations can be molasses.

The price of molasses is usually determined by the price of substitutes, especially corn products. A rule of thumb is that 6.5 gallons of molasses is equivalent in carbohydrate value to about 1 bushel of corn. Consequently, a gallon of molasses sells for about 1/6.5 (about 15 percent) of the price of a bushel of corn.

[Peter Buzzanell and Fred Gray (202) 219-0888]

Projections Rise for 1992/93 Beet Sugar Output

Item	1990/91	1991/92	1992/93 Projections	
			September	March
		1,000 short tons, raw value		
Beginning stock	1,210	1,496	1,381	1,450
Production	6,915	7,229	7,500	7,700
Beet	3,855	3,836	4,100	4,300
Cane	3,060	3,393	3,400	3,400
Imports	2,825	2,192	1,997	1,977
Quota	2,298	1,486	1,357	1,327
Other	527	706	640	650
Total supply	10,950	10,917	10,878	11,127
Exports	682	630	590	490
Domestic use	8,773	8,866	9,000	9,025
Miscellaneous [1]	-12	-29	25	0
Total use	9,443	9,467	9,615	9,515
Ending stocks	1,496	1,450	1,263	1,612
		¢/lb, raw value		
Price	21.9	21.4	[2] 21.25	[2] 21.25

Based on March 10, 1993 World Agricultural Supply and Demand Estimates. Fiscal years beginning October 1.
[1] Refining loss/gain adjustment. [2] Average October 1-March 16.

- U.S. raw cane sugar prices averaged 20.76 cents a pound (Contract No. 14, c.i.f. New York) in January; 21.16 cents in February; and 21.46 cents for the first two weeks of March. Prices during the October-December quarter averaged 21.4 cents a pound.

- World raw sugar prices (f.o.b. Caribbean ports) rose above 10 cents a pound in early March for the first time since summer 1992.

[Glenn Zepp (202) 219-0883]

For further information, contact:
Dennis Shields, and Diane Bertelsen, fruit and tree nuts; Gary Lucier, vegetables; Peter Buzzanell, sweeteners; Doyle Johnson, greenhouse/nursery; Verner Grise, tobacco; David Harvey, aquaculture; Lewrene Glaser, industrial crops. All are at (202) 219-0883. AO

Commodity Spotlight

Chile Peppers Are Hot

During the last decade, interest in chile peppers has expanded beyond ethnic communities and food faddists to mainstream America, and U.S. growers are scrambling to keep up with demand. U.S. per capita consumption of chile peppers has increased 84 percent in the last 10 years, from a fresh weight of 3.5 to 6.5 pounds annually. Americans now consume more chile peppers, based on their fresh-weight availability, than many traditional vegetables including asparagus, cauliflower, and green peas.

Chile peppers are one of the fastest growing specialty produce items, illustrating the changing American diet, a taste for alternative flavoring agents, and the growing influence of U.S. Latino and Hispanic populations. Americans have been eating more chiles via southwestern-style fast-food entrees, innovative new cuisines, and a myriad of new salsa, hot sauce, and other chile-based products. Chile peppers are also used as food and nonfood coloring agents, in ornamental strings and wreaths, and have even been examined for pain-killing and germicidal properties.

The surge in chile demand has created opportunities for large and small growers. Based on the continued popularity and expanded acceptance of southwestern cuisine, and the discovery of new uses for chile pepper products, the U.S. chile pepper industry—and chile pepper demand—are expected to continue expanding. Growers are streamlining their production practices as well. Plant breeders and engineers, for example, are collaborating to devise a cost-effective machine harvester for chile peppers.

Most of the U.S. chile pepper supply is produced domestically in New Mexico, California, and Texas. Growers in New Mexico nearly doubled their chile pepper acreage between 1981 and 1991, to 30,000 acres. Luna County, located in southwestern New Mexico, accounted for nearly three-quarters of the expansion. Planted acreage in 1992 was estimated to be record high.

Spicy ...& More

Chile peppers likely originated in South America. Like tomatoes, potatoes, eggplant, and tobacco, chile peppers are part of the nightshade (solanaceous) family. Chile peppers are related to sweet or bell peppers in that most cultivated peppers belong to the species *Capsicum annuum*. Although the fruit of the chile pepper is commonly considered a vegetable, all peppers are botanically classified as berries.

Red and green chiles come from the same plant but represent different stages of maturity. Red is the mature stage. For most, though not all major varieties, chile that is picked in the red stage is hotter or more pungent than green. Green chiles are primarily used fresh or canned, while most red chiles are dehydrated (sold as dried spices), or used in hot sauces, with small quantities frozen, sold fresh, or used decoratively (as both wreaths and strings called ristras).

Chile peppers, especially the dried red chiles, are nutritious. Canned chile peppers contain on average more vitamin C (ascorbic acid) than an equal weight of peeled oranges. Some hot chile varieties in fresh form may contain four times as much vitamin C. Red chile peppers have a much higher vitamin A content than in their green state, with 100 grams of red chile peppers containing more than twice the recommended daily dietary allowance for adults.

Most chile peppers are processed green; few red peppers are canned or frozen. During processing for canning or freezing, peppers are peeled using a blanching steam, because the peel is not easily digestible by humans. Chiles processed in their red state are usually made into pepper powders, hot sauces, and coloring agents. Coloring agents are primarily produced from mild varieties.

Cayenne peppers, which are very hot, and paprika (Hungarian for pepper), which is a mild red pepper, are the most well-known powders. New Mexico, California, and Arizona produce the varieties of bright-red, mild or nonpungent peppers used to make paprika powder. In Europe, a specific variety of pepper called paprika is used to make paprika powder, and can be hot or mild.

With controversy surrounding red food dyes a few years ago, red chile peppers emerged as a natural and safe alternative coloring agent, and a growing proportion of the crop is being processed as coloring agents. The colorant is used in many products, especially salad dressings, meat products, and cosmetics. Compounds produced from red chile peppers are also being used as a replacement preservative for nitrites in meats.

The unique substance that is the source of the burning sensation in chiles is capsaicin. Capsaicin is potent enough to be detectable by human taste buds reportedly at one part per million. In chiles, the concentration varies by cultivar, where grown, and stage of maturity, but averages around 7,000 parts per million. In higher concentrations, capsaicin is so powerful that it is used in tear gas sprays.

From *The Great Chile Book*: Are Chiles Really Peppers?

Confusion over chilean terminology began with Columbus, who gave peppers their name assuming they were the black peppercorns of the Indies. The genus for peppers, *Capsicum*, includes sweet varieties called bell peppers, and hot varieties usually known as chile peppers. As for spelling, chile means the hot pepper, chili refers to the spicy meat and bean dish, and chilli is the ground spice containing chiles, according to *The Great Chile Book* (Ten Speed Press, Berkeley, California). Webster allows all three spellings for the hot pepper.

Another source of confusion is mistaking a whole species or type of chile pepper for a single cultivar. The five domesticated species in the pepper genus, *C. annuum*, *C. frutescens*, *C. chinense*, *C. pubescens*, and *C. baccatum*, contain dozens of pod types and hundreds of cultivars. Except for the tabasco chile pepper in the *C. frutescens* species and the habanero in *C. chinese*, most chile peppers are in the *C. annuum* species.

Major pod types include bell and pimento for sweet peppers; New Mexican, Jalapeno, Serrano, and Ancho for hot peppers; and paprika and cherry which have both kinds. Some examples of cultivars are the Anaheim and New Mexico chiles in the New Mexican pod type, and the Jalapeno cultivar in the Jalapeno type.

Chile peppers are usually green and occasionally yellow when immature, and may be red, orange, brown, or yellow when ripe. Green chiles are frequently eaten fresh, while the sweeter ripened chiles are often used decoratively and ground into powder. Here's a sample of some popular chiles:

Anaheim. Long, green chiles used in sauces and stews. The ripened red chile is also used decoratively in wreaths and sold powdered as Chile Colorado.

Cayenne. Small, dried red peppers, used most frequently in powdered form as a spice, and heavily used in hot sauces.

Habanero. Small, lantern-shaped chile in the *C. chinense* species that is one of the world's hottest peppers; colors include dark green, red, orange, and orange-red.

Jalapeno. Top chile pepper variety exported to the U.S. from Mexico—the very popular chiles eaten on nacho chips; smoked, dried red jalapeno (chipotle) is used in soups, salsas, and sauces.

New Mexican. Long, green peppers most commonly grown in that state, the same type as the Anaheim but with a distinctively different flavor.

NuMex Big Jim. Long, round-shouldered, chiles, popular in New Mexico's home gardens.

Poblano. Large, green peppers very popular in Mexican cooking; Ancho is the sweet-flavored dried poblano.

Scotch Bonnet. Small, ultra-hot, increasingly popular pepper in the *C. chinense* species; yellow, yellow-green, orange, and red in color.

Serrano. Small green and red chiles popular in Mexico and the U.S. Southwest; used in salsas and in the Pico de Gallo (rooster beak) hot relish.

Tabasco. Small, slender chiles grown in Louisiana and used to make the popular Tabasco hot sauce.

Good sources for additional chile pepper lore include a monthly magazine called *Chile Pepper* as well as *The Great Chile Book*. More information on the classification of chile peppers is available from New Mexico State University.

Commodity Spotlight

New Mexico Leads In Domestic Output

Based on the 1987 Census of Agriculture, New Mexico accounts for around 60 percent of U.S. chile pepper acreage. Production is concentrated in southern New Mexico, particularly in Luna and Dona Ana Counties. The growing season in this area is long, dry, and hot, and all acreage is irrigated. The first peppers are planted in March and harvest is most active in August and September (for green) and October through December (for red).

Chile peppers are the most important vegetable crop in New Mexico. More than 300 farms produce chile peppers in that state. About 42 percent of these farms have more than $100,000 in total agricultural product sales and account for more than three-quarters of the state's chile pepper acreage. Grower receipts from the sale of chile peppers totaled $59 million in 1991, amounting to 12 percent of the state's crop cash receipts, and 38 percent of the vegetable cash receipts. Most New Mexico chile pepper production is grown under contract to processors, for about 50 mostly small firms. The top 10 companies handle most of the volume.

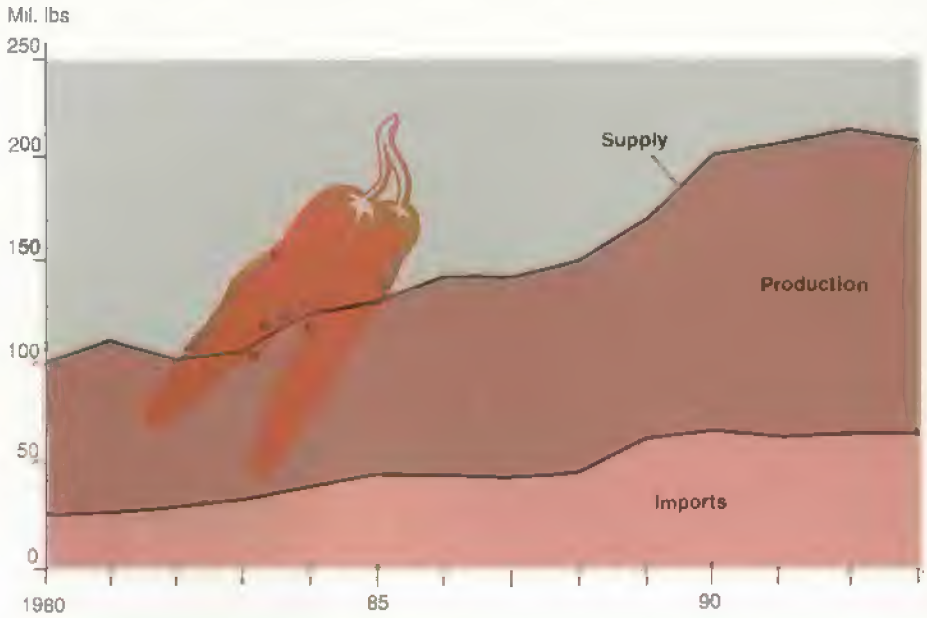
About three-fourths of New Mexico's processed production consists of mild varieties, and the most important variety is the New Mexican. Output includes the popular cultivars Anaheim, Sandia, and New Mexico 6-4 (usually called New Mexico 6). New Mexico 6 and Anaheim, also known as long green, are mildly pungent cultivars, while Sandia is slightly hotter. Of the hot chile pepper varieties grown for processing in New Mexico, about 58 percent are jalapenos, largely harvested when green, and 30 percent are cayenne cultivars.

In terms of acreage, Texas is the second leading chile pepper state, with about 6,000 acres located primarily in the far west of the state adjacent to New Mexico, and in the lower Rio Grande Valley. The largest concentrations are in El Paso and Hidalgo Counties. Four counties in the Rio Grande Valley (Hidalgo County has the most acreage) harvested an estimated 1,500 of the 3,025 acres of jalapeno peppers grown in Texas in 1992.

California ranks slightly below Texas in chile pepper area with about 5,000 acres. Some 80 percent of California's production comes from Monterey County and is grown for both fresh and processing uses. California's chile pepper cash receipts average about $15 million—a relatively small component of the state's $3.7 billion in vegetable cash receipts.

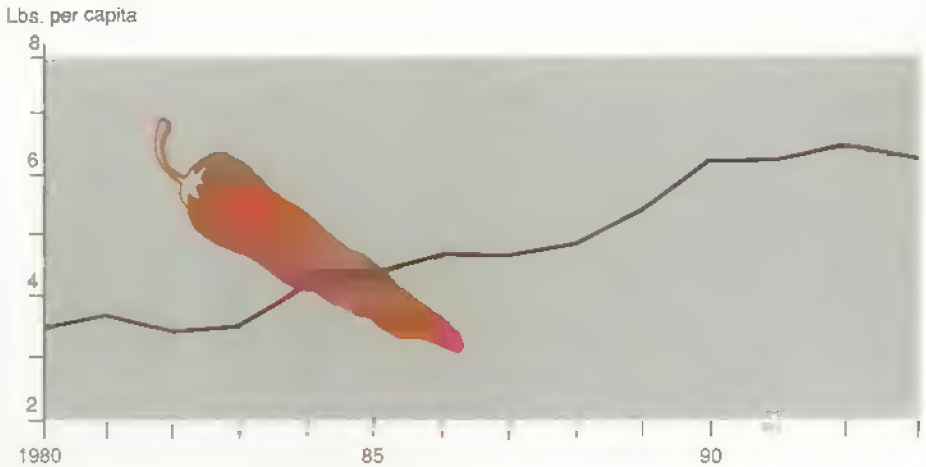
Although there are no official statistics, New Mexico is likely the largest shipper of fresh chile peppers. New Mexico chile peppers are shipped to such states as Texas, Arizona, California, and Louisiana for processing. Chile peppers are likely grown on over 1,000 acres in Florida, and many of these peppers are shipped for fresh-market use. In 1991, Florida shipped 18,250 tons (2,281 tons dry-weight equivalent) to destinations such as New York, Boston, Chicago, and Dallas.

Steady Imports Boost U.S. Chile Pepper Supply. . .

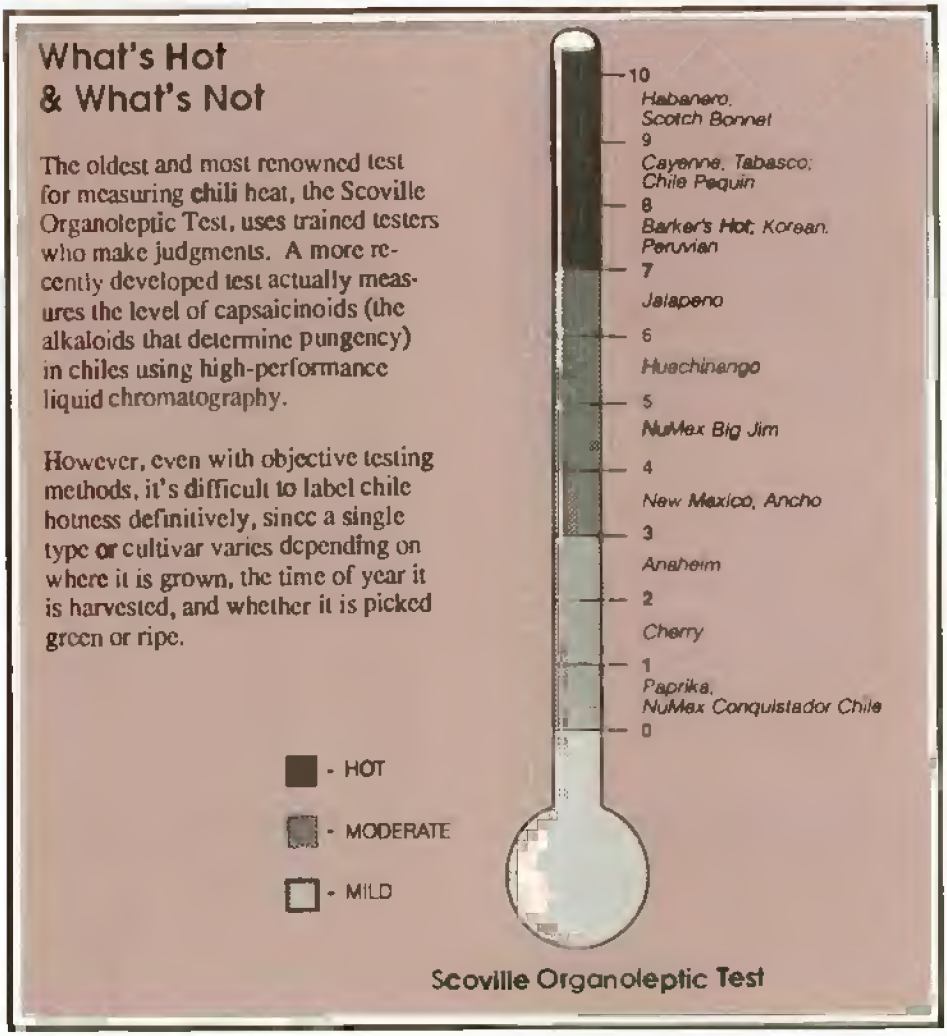


Dry-weight basis. 1992 preliminary estimate; 1993 forecast.

. . .As Consumption Continues Strong



Fresh-weight basis. 1992 preliminary estimate; 1993 forecast.



Imports Help Meet Rising Demand

Trade in chile peppers includes both fresh and dried spice products. Imports have helped meet the sharp rise in U.S. demand for chile peppers. In 1991 the U.S. imported over 80 million pounds of fresh chile peppers, more than triple the amount of a decade ago. Imports of chile peppers in the form of processed spices more than doubled to almost 50 million pounds (dry weight), over the same period.

Although spice exports have been rising in recent years, no official data exist on fresh or other processed chile exports. According to U.S. Department of Commerce trade statistics, overall U.S. chile pepper exports, particularly dehydrated products (spices), are likely small relative to imports. Only about 4 percent of the U.S. chile pepper supply is exported while 31 percent is imported.

Mexico supplies more than 98 percent of fresh imports to the U.S. Jalapeno, Caribe, Serrano, and Anaheim peppers are Mexico's top export varieties. Jalapenos were 41 percent of the total during the 1989/90 season, followed by Caribe (35 percent) and Serrano and Anaheim (9 percent each). All of these varieties have shown steady import growth since the early 1980's. Mexico is also the largest U.S. source for imported chile pepper spices, accounting for more than a third of the 1991 total.

Mexico's chile pepper production is primarily in the coastal plain of the northwestern states of Sinaloa and Sonora, where most of the export-oriented vegetable production is located. During the 1989/90 season, about 62 percent of Mexico's chile exports was grown in these states, which have relatively good roads and irrigation, and a year-round growing season. Eighteen percent were grown in Chihuahua, in an irrigated area bordering New Mexico and Texas.

Several other countries are also important suppliers of chile pepper spices; in 1991, 16 percent of U.S. chile pepper spice imports came from Pakistan, 11 percent from India, and 9 percent each from China and Spain. From year to year, weather-related production losses typically cause fluctuations in U.S. import volume from each of these countries.

Chile peppers are among the vegetables slated to receive safeguard protection under the pending North American Free Trade Agreement (NAFTA). The quota base for the amount of fresh chile peppers to be imported at the preferential duty from Mexico in the first year of the agreement has been set at 29,900 metric tons and will be increased 3 percent each year until phaseout. The tariff rate quota will apply during the October 1 through July 31 period during the first 10 years of the agreement. Imports during August and September are free of trade restrictions and receive immediate phase-out of tariffs under NAFTA.

The tariff invoked on all over-quota imports from Mexico will be 5.5 cents per kilogram during the 10-year period, the same as is currently in place. The tariff on within-quota imports will be phased out over a 10-year period.

U.S. chile pepper growers will continue to face challenges as they attempt to keep up with increasing demand. Although success is never certain, it may be helpful to remember that in the American Southwest, chile pepper ristras are believed by many to be bearers of good fortune.
[Gary Lucier (202) 219-0884] AO

Courtesy Port of New Orleans

U.S. Farm Exports To Remain Strong in 1993

Smaller grain exports to the former Soviet Union, along with sluggish economies in the developed world and a rise in the U.S. dollar, are expected to keep aggregate U.S. farm export value about the same as in fiscal 1993. Lackluster economic growth in the European Community and Japan has been a significant factor in restraining sales of fruit and other high-value agricultural products. However, sales of high-value products (HVP) are expected to increase in 1993, and exceed sales of bulk products for the third consecutive year.

Economic growth in much of the developing world, in contrast with developed countries, has been healthy to excellent, and prospects of record export sales in this market may offset declines in others. Mexico's economy, for example, has been showing high rates of growth, and Mexico is expected to be one of the fastest growing markets for U.S. exports in 1993, as it was in 1992.

Exports Steady In Fiscal 1993

Little change is expected in the total value of U.S. agricultural exports in fiscal 1993. Export value is forecast to rise $200 million to $42.5 billion as growing exports of high-value products offset the impact of reduced prices for corn and soybeans. A slight increase is forecast for export volume—148 million tons versus 144 million in fiscal 1992—as wheat, corn, and soybean exports rise. But the total value of grain and oilseed exports is expected to remain at fiscal 1992's $21.4 billion.

Smaller year-to-year changes are forecast for wheat, corn, soybeans, livestock products, and horticultural products compared with the averages seen over the last five years. In most cases, forecast changes this year are smaller than for fiscal 1992 as well. While this may reflect a tendency common to most forecasts—the tendency to underestimate change—it also represents the impact of lower prices offsetting potential gains in the volume of bulk exports, as well as offsetting influences on other commodities.

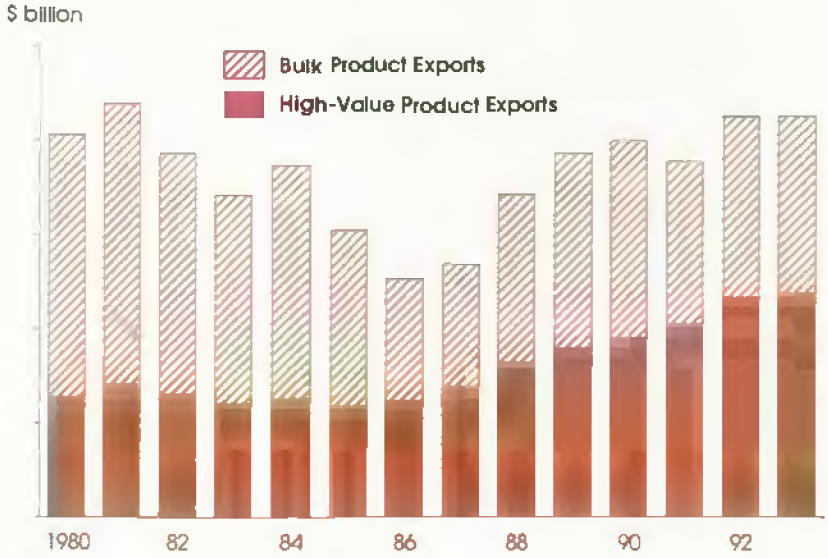
Large U.S. corn and soybean crops have brought down prices, and cotton prices are down as well. The average price of U.S. cotton exported during December 1992 was $1,363 per ton, 13 percent lower than during December 1991.

World Economy Sluggish

One of the strongest influences on the U.S. export outlook for 1993 is the economic health of export markets. Perhaps the foremost factor is sluggish growth in Gross Domestic Product (GDP) in foreign developed countries. While Canada's GDP growth is expected to improve from 1 percent in 1992 to 2.7 percent in 1993, slower growth is expected in the European Community (EC), and only slight improvement is likely in Japan.

GDP growth for all the foreign developed countries is expected to average 1.2 percent in 1993, unchanged from 1992. In contrast, continued acceleration is expected for the U.S. economy. The gap between growth in the U.S. and its major trading partners in the developed world will increase this year to the widest since the 1970's. Weaker consumption and imports in Europe and stronger U.S. consumption could have a negative impact on the trade balance.

High-Value Products Continue To Boost U.S. Agricultural Exports



Fiscal years. 1993 forecast.

Since last summer, change in another macroeconomic factor—exchange rates—has been largely unfavorable for U.S. exports, particularly for high-value products. In real terms, the U.S. dollar appreciated nearly 20 percent against the currencies of European customers between August 1992 and January 1993. To a lesser extent, the dollar also rose against the Canadian dollar during that period, but this followed appreciation that began even before August. With unfavorable exchange rate movements in markets that account for 40 percent of U.S. HVP sales, and with a rebound in European fruit production, HVP exports are expected to grow at a substantially lower rate than during the last 2 years.

Sales Lower to FSU & China

The sluggish world economy is probably exacerbating problems in the former Soviet Union (FSU), but the most significant FSU developments are internal. U.S. agricultural exports to the FSU are expected to fall from $2.7 billion in fiscal 1992 to $1.9 billion in fiscal 1993. Debt-servicing difficulties, an improved 1992 FSU grain harvest, and lower FSU feed use due to reduced producer and consumer subsidies and declining livestock inventories are the major factors in reducing U.S. sales to the FSU. The difficulties in securing foreign exchange that led the FSU from cash to credit purchases have grown, resulting in payments arrears and Russia's suspension from the GSM credit guarantee program.

Similarly, Canada has suspended shipments to Russia since August, pending resolution of debt repayment issues. Although Ukraine has not been suspended from the GSM program, previously scheduled additional allocations have been delayed due to debt-related issues. U.S. sales to other FSU republics have continued since Russia's suspension, with over 1.5 million tons of grain estimated to have been sold to some other republics through barter and countertrade.

Only two other major customers—China and Japan—are expected to import less from the U.S. in 1993. Exports to China are forecast to decline from $700 million in fiscal 1992 to $400 million in 1993. Several years of bountiful grain harvests in China, and burdensome stocks of cotton, are expected to result in lower purchases of wheat and cotton. Cotton will be particularly affected since high domestic prices for China's cotton keep China from exporting a significant portion of domestic output, forcing imports to bear the burden of adjustment.

Exports to Japan are expected to fall proportionally less than those to China and the FSU, from $8.4 billion to $8.1 billion. Lower prices for bulk products account for much of the decline, but a slight drop in Japan's feed grain imports from all sources is also a factor. Japan's livestock sector has largely stagnated as Japan has become more open to meat imports. Japan switched from a system of import quotas to tariffs 2 years ago, and this month the beef tariff is scheduled to drop from 60 percent to 50 percent. Increased U.S. beef exports will offset some of the loss in grain sales.

A favorable exchange rate is also expected to enhance prospects for exports to Japan. Despite the dollar's runup compared with other currencies, it has continued weakening against the yen, occasionally hitting record lows. Japan is by far the largest customer for U.S. livestock products, and its tariff reduction and strong currency are important factors behind the expected $350-million increase in U.S. livestock exports in fiscal 1993.

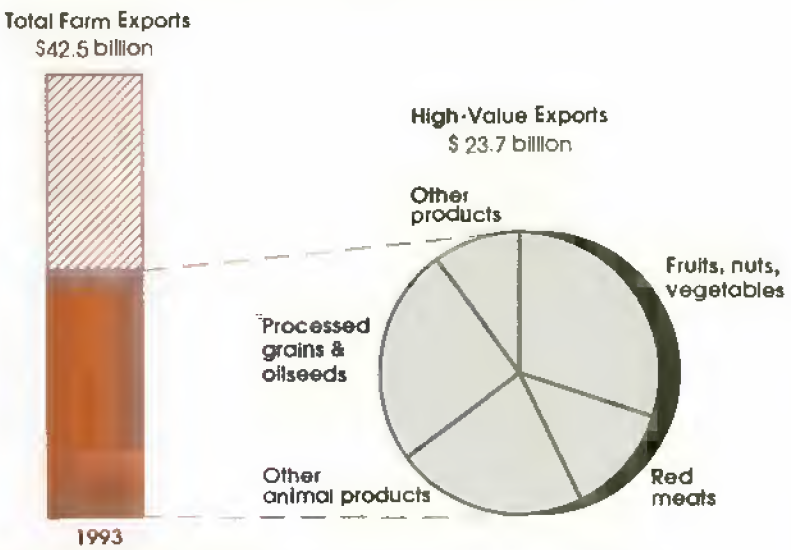
Record Exports to Developing Countries

Increased exports to developing countries are also a factor behind the upswing in U.S. exports of livestock products. In contrast to the developed world's economic performance, GDP growth is expected to improve among developing countries during 1993, exceeding 5 percent for the first time since 1979. U.S. agricultural exports to developing countries are likely to reach a record $17.7 billion in fiscal 1993.

Mexico is expected to be one of the fastest growing markets for U.S. exports in 1993 as in 1992. Mexico's GDP growth rate is expected to rise from just below 3 percent to just above 3.5 percent.

Increased demand from developing countries is also a factor behind the slight rise expected in U.S. wheat exports. Pakistan and India have both been in the market for more wheat this year. Despite near-record crops in both countries, government procurements from farmers are

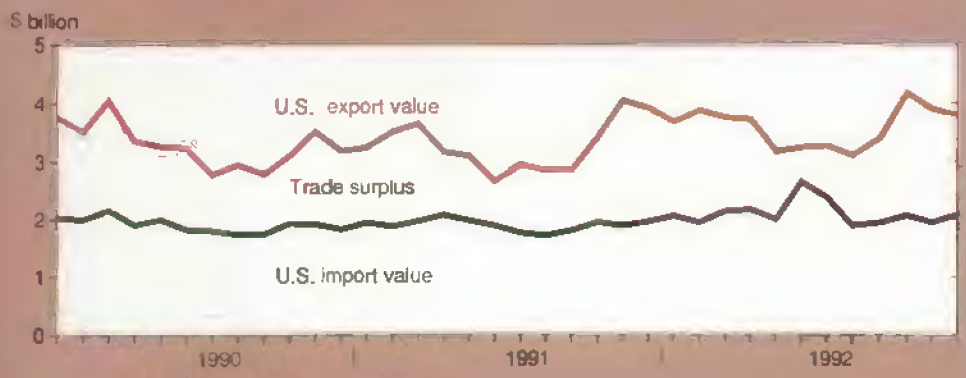
Fruits, Nuts, Vegetables, and Animal Products Lead High-Value Exports



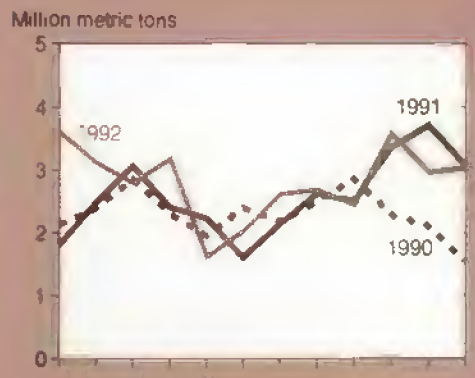
Fiscal 1993 forecast. "Other products" include seeds, sugar, and tropical products.

World Agriculture & Trade — U.S. Trade Indicators

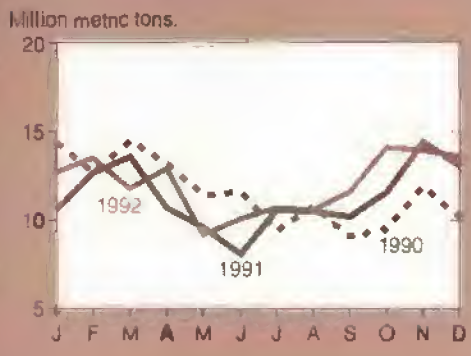
U.S. agricultural trade balance



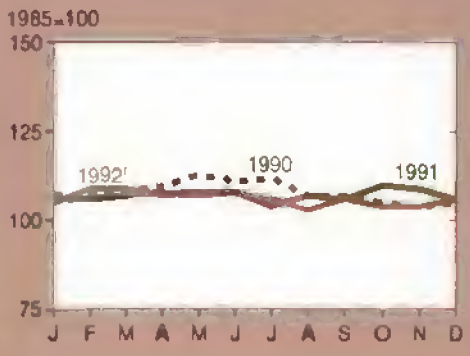
U.S. wheat exports



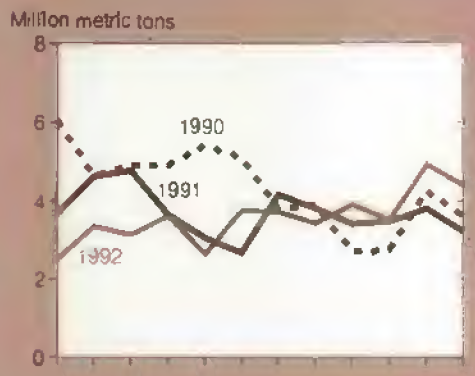
Export volume



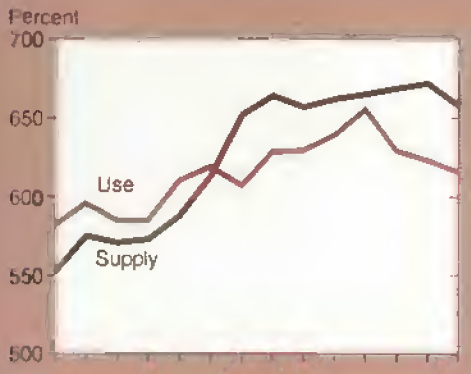
Index of export prices



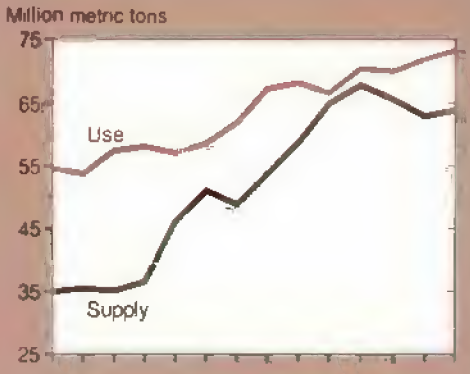
U.S. corn exports



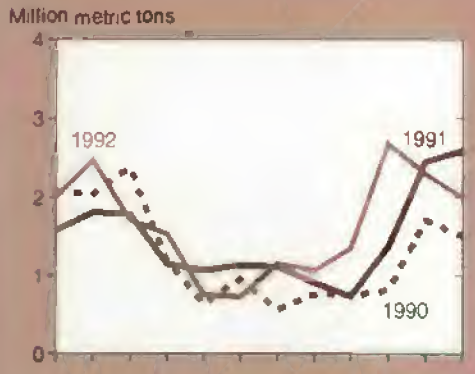
Foreign supply & use of coarse grains



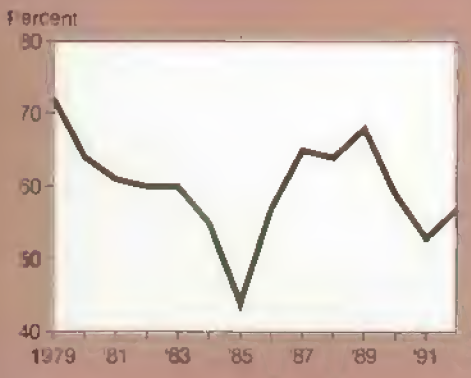
Foreign supply & use of soybeans



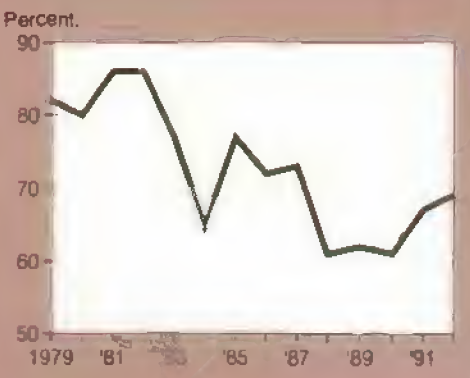
U.S. soybean exports



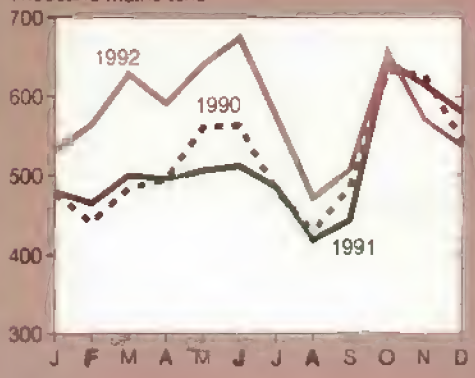
U.S. share of world coarse grains exports [1,2]



U.S. share of world soybean exports [1,2]



U.S. fruit, nut & vegetable exports [3]



[1]Excluding intra-EC trade. [2]October-September years. [3]Includes fruit juices.

World Agriculture & Trade

down. They are using imports to build government stocks and help reduce consumer price increases. This has been India's first significant purchase of U.S. wheat since the 1988/89 marketing year. Reduced crops for some smaller competitors and quality problems for others, especially Canada, are enabling the U.S. to capture a larger share of world markets and are supporting export prices above year-earlier levels.

Finally, the U.S. has improved sales of soybeans as a result of reduced soybean and soybean meal exports from South America and China. China's exports are running at substantially less than half of last year's volume. Brazil's supplies were so low that during the first three months of fiscal 1993, Brazil imported 265,000 tons of U.S. soybeans.

In addition, lower prices and drought reduced rapeseed production in the European Community this year, increasing demand for imported soybeans while the U.S. was in a good position to gain market share. Farm exports to the EC are forecast to rise $500 million to $7.7 billion. Virtually all of the increase is due to larger shipments of soybeans. *[Stephen MacDonald (202) 219-0822]* AO

Upcoming Reports from USDA's Economic Research Service

The following are April release dates for summaries of the ERS reports listed. Summaries are issued at 3 p.m. Eastern time.

April

2 *Tobacco*
19 *Agricultural Outlook*
20 *Agricultural Resources, Ag Land Values Summary*
21 *Dairy*
22 *Rice*
23 *Oil Crops*
27 *Vegetables & Specialties*

Farm Finance

Life Insurance Companies & Farmer Mac

Life insurance companies, longtime sources of farm real estate credit, have been key players in the first loan pools guaranteed by the Federal Agricultural Mortgage Corporation, Farmer Mac. Life insurance companies' activity in Farmer Mac is occurring at a time when they are deemphasizing farm lending in favor of agribusiness and timber investments.

Farmer Mac, a secondary market for farm and rural housing mortgages, has guaranteed four loan pools to date. Four life insurance companies have been involved in each of the loan pools as originators, poolers, or both. The firms—Prudential Agricultural Credit, The Travelers Realty Investment Company, Equitable Agri-Business, and John Hancock Mutual Life Insurance—make up four of Farmer Mac's seven certified poolers.

Market Conditions Slow Farmer Mac

Farmer Mac, which was chartered by Congress in 1987 to increase the availability of long-term fixed-rate real estate credit to farmers and ease farm financial stress, has developed more slowly than expected. Market conditions beyond Farmer Mac's control have stymied its development. These conditions include weak demand for farm real estate financing and for longer term fixed-rate farm mortgages, and excess lending capacity among agricultural lenders. The Farmer Mac market offers lenders the opportunity to increase lending, lower risks, and boost profits.

In a secondary market such as Farmer Mac, lenders sell existing loans to investors. Lenders making new loans to borrowers in the primary market are called originators. Primary market loans sold through the Farmer Mac market are bundled together, or pooled, by a financial intermediary, or certified pooler. Securities backing the pool are then sold to investors. Farmer Mac, which is backed by the U.S. Treasury, guarantees investors repayment on the securities.

When farm loan demand is weak and banks have excess lending capacity, the incentive to sell loans into a secondary market lessens. Farmer demand for long-term fixed-rate loans—Farmer Mac's mainstay—has been dampened by interest rate patterns. Loans priced on short-term interest rates, which have been lower than long-term rates, offer farmers lower cost financing. Because loans that allow for frequent interest rate adjustment present less risk to the lender, the incentive to sell these loans is low relative to loans with longer term fixed rates.

In addition, the structure of the market itself has hampered development. For example, Farmer Mac requires that the originator, pooler, or investor must retain a 10-percent interest in the loan to cover losses in the case of default—the subordinated participation interest (SBI). If default occurs, the SBI holder must absorb the first 10 percent of the loss before Farmer Mac's guarantee is called upon. Regulators require a bank to hold capital against the full value of the farm loan sold when the bank has a 10-percent SBI. Holding capital lowers the profit potential of a loan sale for banks.

To date, Farmer Mac's share of farm real estate lending has been small. The most recent Farmer Mac loan pool was securitized by Equitable Agri-Business in October 1992. A total of $681 million in loans has been securitized and guaranteed by Farmer Mac. However, three of the four pools were supplied primarily from existing mortgages and not from new mortgages. The supply of existing mortgages for sale to Farmer Mac is limited.

Companies Shift To Large Loans

Despite the early predominance of life insurance companies in Farmer Mac, further market growth might well hinge on the participation of other lenders. In part, this is because insurance companies now generate a relatively small volume of farm mortgages in the primary markets, especially ones that qualify for Farmer Mac.

From 1988 through 1991, insurance companies' annual new farm mortgage acquisitions averaged only $1.5 billion. Much of the new lending was made by companies not active in Farmer Mac, made to nonqualifying agribusiness or timber firms, or would not qualify because of low credit quality.

Some insurance companies have been allocating a greater share of agricultural lending to agribusiness firms and timber enterprises rather than to more traditional farm mortgages, which they often consider more risky and less profitable. Moreover, insurance companies remaining in the farm mortgage business favor larger loans than in the past, with many companies preferring loans in excess of $500,000. The average outstanding size of loans by insurance companies has risen from $221,000 to $381,000 since 1988.

The increasing geographic concentration of life insurance lending also means companies could have difficulty assembling loan pools that meet Farmer Mac underwriting standards for diversity both geographically and by commodity. The standards are in place to reduce loan default risk resulting from natural disasters or price fluctuations affecting a single or small set of commodities.

Insurance company lending has shifted away from the Corn Belt and other regions where smaller, traditional loans predominate, to the Pacific Coast and Southeast where bigger agribusiness and timber loans are prevalent. The Pacific region now accounts for 34 percent of outstanding industry mortgage volume, while the Corn Belt's share has shrunk to 16 percent. In 1980, the Pacific region share was only 19 percent while the Corn Belt's was 24 percent. In the Northeast, Lake States, Corn Belt, Northern Plains, and Appalachia, insurance companies are becoming an inconsequential factor in primary farm mortgage markets.

Life Insurance Lending Hard Hit in the 1980's

The decline in life insurance company lending to agriculture began in the 1950's and accelerated in the 1980's. During the farm financial crisis of the 1980's, life insurance companies' loan portfolios were hit hard by foreclosures and writeoffs of principal. By some measures, insurance company loan portfolios experienced greater financial stress than those of either Federal land banks or commercial banks.

Of the 12 life insurance companies active in 1980, 6 had terminated lending to farm operators by 1992. Companies that withdrew were primarily those with small-to-medium farm loan portfolios and with poorer-than-average loan quality. Some of the companies that curtailed farm lending still service existing customers or provide purchase money mortgages to finance the sale of land acquired through foreclosure.

The insurance companies that remained, like many other farm lenders, became more cautious in their lending practices. Tighter standards and loans with shorter interest rate commitments or maturities now prevail.

The six companies still active in farm lending are among the largest life insurance companies, with some commanding assets in excess of $100 billion. They also hold nearly 90 percent of the nearly $10 billion of farm loans held by life insurance companies. Their farm loan portfolios are in the range of $1-$2 billion. Four of these six companies have expressed an interest in Farmer Mac.

Companies Start Open Pooling

Three companies, Prudential, Equitable, and Travelers, are looking for alternatives to primary market farm mortgages and have announced plans to begin pooling loans from a range of non-insurance company originators, especially commercial banks. These announcements are important because they suggest that Farmer Mac might finally operate as it was originally envisioned nearly 6 years ago. Farmer Mac growth in 1993 will likely depend on the actions of these companies.

Prudential Securities, a subsidiary of Prudential, has joined with Equitable Agri-Business to begin its pooling operation. Prudential will securitize the loans while Equitable will pool and underwrite the loans in conjunction with contracted firms that will collect loans from lenders in different geographic regions. Under a pilot program, Prudential securitized $238 million of bank-originated mortgages in June 1992. Travelers will collect loans for pooling through its regional offices.

Both pooling operations will buy whole loans from originators, thereby addressing the 10-percent SBI requirement that has limited bankers' interest in selling mortgages. Travelers intends to keep the 10 percent and Prudential intends to sell it to investors. To sell the 10-percent portion, Prudential is requiring somewhat more stringent loan pooling standards than required by Farmer Mac. In both cases it is anticipated that securities will be sold to Farmer Mac, instead of being sold directly to investors.

Farm Finance

Loans purchased by both poolers will likely have prepayment clauses and will carry application fees that could be passed on to primary borrowers. Both pooling operations plan to purchase loans with level principal repayments, based on a 25-year amortization, with a ballon payment of the balance after 15 years or less. To decrease barriers to lender participation, the poolers are allowing lenders to submit their own loan documentation.

In addition to life insurance company activity, the Farm Credit System (FCS) could also spur Farmer Mac growth, but few FCS members have been interested. This may be changing; the Farm Credit Bank of Columbia, S.C. was certified as the seventh Farmer Mac pooler in January 1993, and FCS associations have expressed interest in the Prudential pooling operation.

Changes in market conditions could also boost the Farmer Mac market. Stronger farm income prospects and lower interest rates might spark loan demand and hike refinancings.

Despite the recent developments led by the insurance companies, Farmer Mac's influence on agricultural credit markets will likely continue to develop slowly. The interest rates and terms on farmland-secured loans will be little affected in the near term. Farmer Mac and its poolers still face a highly competitive primary market and some formidable obstacles. *[Steve Koenig and Jerome Stam (202) 219-0892]* AO

Policy

Change Proposed for Farm Payment Limits

The farm is no longer the principal source of income for most U.S. farm operator households. Off-farm earnings have for over a decade provided the lion's share of farm household income. Recent statistics indicate that income earned off the farm generated on average more than 85 percent of the farm operator household's total income in 1991. Only about 20 percent of farm operator households received more income from farm sales than from off-farm sources in 1991.

In addition to farm sales and income earned off the farm, many households also receive farm program payments. About a third of all farm operator households receive deficiency payments for certain crops. Although Federal spending on farm programs has declined in recent years, pressure to reduce the deficit has grown, and a proposal to target farm program payments based on off-farm income is included among the Administration's proposals to reduce spending on agriculture.

Farm Payment Proposal Tied to Off-Farm Income

All producers already face limits on the amount of farm program payments they may receive, and proposals to limit payments based on the farmer's gross farm revenue or total net income were considered prior to passage of the 1990 farm bill. The current Administration proposal recommends that individuals with off-farm incomes of $100,000 or more should be excluded from receiving payments.

A policy option to limit payments to certain groups adds equity considerations to the income-support objectives of the farm programs. While farm operator households had much lower income than the general U.S. population in the 1930's when farm policies were initially designed, today the average farm operator household has similar household income and much higher net worth compared with the general population.

In 1991, 53 percent of the farm operator households participating in farm prgrams received less than $5,000 in payments, accounting for only 12 percent of total payments. In contrast, the 9 percent of participating households receiving more than $25,000 in payments collected 44 percent of all payments. Because payments are tied to acreage, higher payments are generally received by households that operate larger farms, and these households have incomes and net worth well above the average for all farm households—and all U.S. households as well.

Off-farm Income Varies Widely

The amount of off-farm income varies widely across farm operator households. About 60 percent of farm operator households receive off-farm income of $25,000 or less. But some farm operator households have much larger off-farm incomes. Approximately 3.2 percent of farm operator households had off-farm incomes of $100,000 or more in 1991.

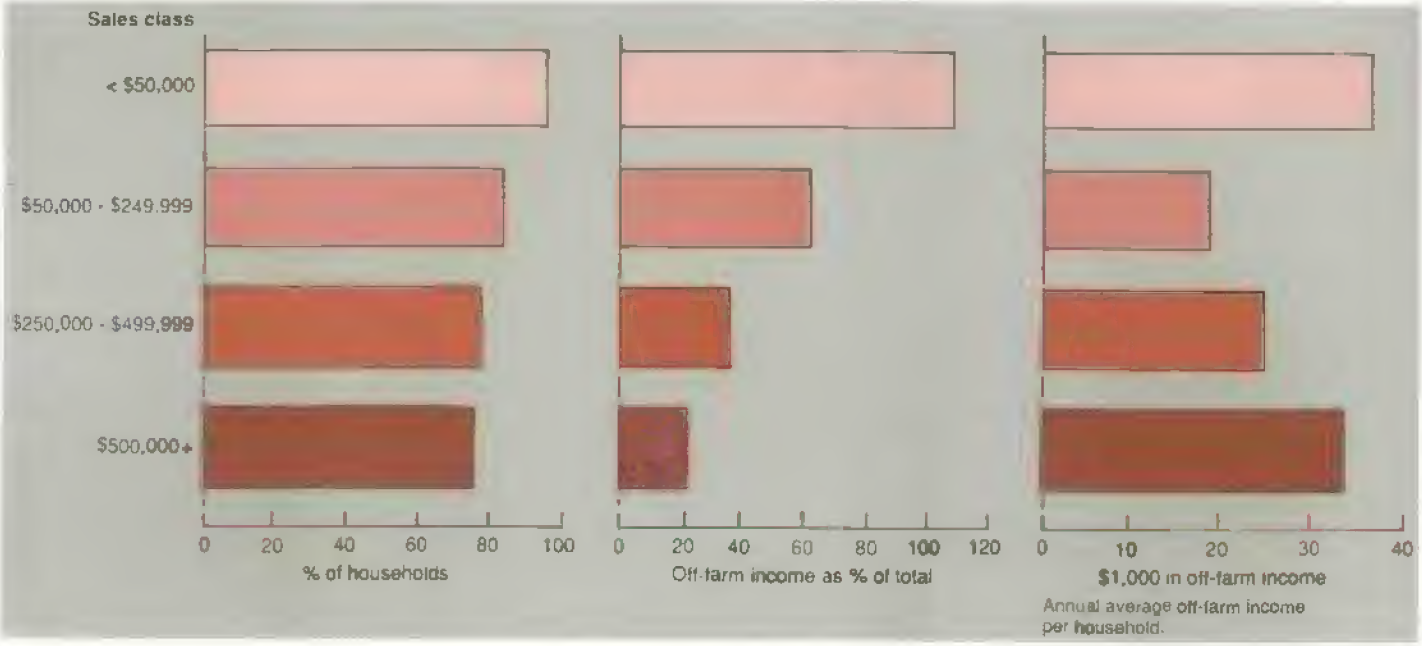
Small farm households, with farm sales of $50,000 or less, have historically

Policy

Nearly All Farm Households Receive Off-Farm Income. . .

. . .but Those with Smaller Farms Depend on It More. . .

. . .and Households with Mid-Sized Farms Have the Lowest



depended more on off-farm income, and have had the highest average off-farm earnings. These small farm households had $36,244 in off-farm income in 1991.

At the other end of the scale, households with sales of $500,000 or more, the largest 2 percent of farms, were not far behind, with an average of $33,271.

Households with mid-sized farms received the least off-farm income in 1991, about $20,000.

About the Farm Programs

More than a quarter of the 2.1 million farms in the U.S. had at least one individual who received direct program payments in calendar 1991. About 200,000 of the farms receiving payments had share rent landlords who were also recipients; many had more than one landlord recipient. In all, about 1 million individuals associated with these farm businesses received agricultural payments in 1991.

The goals of the commodity programs are to support producer incomes and to balance the twin risks of excessive supplies and possible shortages. Producers who participate in the commodity programs for one or more of the eligible crops—wheat, corn, sorghum, barley, oats, rice, and upland cotton—may receive deficiency payments. In order to receive these benefits, participating producers must agree to idle a portion of their crop acreage base under the acreage reduction program (ARP), as specified annually.

The deficiency payment received by a producer in a given year equals the *payment acres* on the producer's farm, multiplied by the *farm program yield*, multiplied by the *payment rate* established by USDA. In the simplest example, payment acres are calculated as the producer's base acres for the crop, less the ARP acres in that year, less another 15 percent of base which does not receive payments. The farm program yield, frozen since 1986, is based on the farm's historical yield.

The "regular" payment rate is calculated as the target price for the crop minus the higher of the 5-month market price for that crop or the basic loan rate. An additional payment rate is calculated if the 12-month market price is less than the basic CCC loan rate. The payment rate can vary substantially across years. (See Table 19 for program details.) The current limit on payments is $50,000 per "person." But producers can qualify to receive payments designated for up to three "persons." As an individual, a producer can receive up to the $50,000 maximum, and as a shareholder in another two legal entities, up to $25,000 per entity. So in effect, the limit on receipt of deficiency payments is $100,000 per producer.

A number of other commodity programs offer direct cash payments, such as loan deficiency payments, marketing loan gains, and emergency compensation deficiency payments, and are subject to a $75,000 payment limitation per person. The combined payment limit on all commodity programs is $250,000 per "person," or $500,000 per individual. Since payments are made to persons, there are no household limits, and individual farm businesses and farm households can exceed the payment limits if they have more than one individual receiving payments.

In addition, the off-farm income share of the household's total income varies widely by size of farm. The nearly three-quarters of farms with less than $50,000 in farm sales lose money on average, making the off-farm income component more than 100 percent of their total household income. By contrast, income earned off the farm is only about 20 percent of the total household income on farms with sales of $500,000 or more.

Farm operator households receiving farm program payments have about the same total household income as other farm operator households. However, the off-farm share of income of farm operator households receiving farm program payments is much less than for households that don't participate in farm programs. Participating farm operator households also have larger farms and higher net worth on average than other farms.

Policy Target Set at $100,000

About 7,000 of the farm operator households receiving deficiency payments in 1991 had off-farm incomes of $100,000 or more, the Administration's proposed cutoff for receiving payments. This estimate is based on a representative group of households from USDA's Farm Costs and Returns Survey. For details on why the estimate of households and payments that would be affected by the proposal will differ in the future, see box.

Deficiency payments received by these 7,000 farm operator households accounted for 2.3 percent of the total deficiency payments made in 1991. This group of households was about 2 percent of the total receiving payments, and had a combined farm and off-farm income averaging over $230,000. Their net worth is about double that of the average farm operator household.

This small group of farm operator households accounted for less than 5 percent of the total value of agricultural production in 1991. Most of these farms were larger than other farms receiving deficiency payments. They specialized in a commodity mix similar to all farms receiving payments, although they were somewhat less likely to specialize in dairy or cash grains and were more likely to specialize in cotton and other crops.

These households are also more varied demographically than other farm households. A greater portion of these operators, for example, are in the youngest and the oldest age groups than the typical farm household. Farmers in this group are also more likely to have a college education than other farmers.

While the targeting proposal is a small part of the Federal deficit plan, its aim is a greater sense of fairness in the farm programs through reducing subsidies to producers in stronger financial positions. *[Mary Ahearn (202) 219-0306) and Janet Perry (202) 219-0807]* AO

Affected Households: Estimates Will Differ

The 1991 Farm Costs and Returns Survey (FCRS) estimates reported here will not be the same as the budget savings that will occur in the future if the Administration's proposal is enacted into law. Exactly how such a proposal would be administered is unknown. Of course, regardless of targeting, payments in subsequent years will differ from 1991 because farmer participation in the farm programs will vary due to market and other policy conditions. There are a variety of additional reasons why actual budget savings will differ from the 1991 data.

First, which income will be considered as off-farm income has not been identified. Also, the FCRS estimate reflects the off-farm income of all household members, not just the farm operators who receive the bulk of farm payments. Similarly, the proportion of farm program payments affected will depend on which payments are considered. The estimate in this article only included deficiency payments.

Second, the FCRS does not represent all individuals who are eligible for payments. It collects (1) characteristics and financial information about the farm business and (2) information on the household finances and characteristics of the primary farm operator on all farms except the 1 percent organized as cooperatives or nonfamily corporations. The FCRS does not include off-farm income of other individuals eligible for payments, such as share rent landlords who do not operate farms, junior operators of farms that are operated jointly, and shareholders of nonfamily corporations. These individuals may have a different off-farm income profile from primary farm operator households.

Third, if payment targeting based on off-farm income is enacted, many producers may reorganize their finances, both farm and off-farm, to assure eligibility for payments. The U.S. General Accounting Office has found that farmers have been successful in avoiding current payment limits, and reported that only $3.4 million was saved in 1989 from the current payment limits, compared with the estimated $215 million originally forecast to be saved for 1989 and 1990.

Fourth, the FCRS undercounts payments received. It defines farms as places which had, or had the potential to have, at least $1,000 in sales of agricultural commodities. Though the official USDA Agricultural Statistics Board farm definition and the FCRS definition are identical, the FCRS estimate is less than the official Agricultural Statistics Board estimate of 2.1 million. FCRS farm data are adjusted to match official USDA estimates of farm numbers by size of farm.

The adjusted FCRS estimate of deficiency, diversion, and disaster payments in calendar year 1991 received by farms was $4.5 billion and those received by share rent landlords was $884 million. ASCS distributed $5.8 billion in deficiency, diversion, and disaster payments to all producers. Therefore, the FCRS accounts for about 90 percent of the payments made in calendar year 1991.

National Association of Home Builders

Is the Economy On the Mend?

Recovery from the recession that ended in March 1991 was unusually slow, but economic growth finally began to accelerate in the second half of 1992. At an annual rate, real gross domestic product (GDP) rose a solid 3.4 percent in the third quarter of 1992 and jumped 4.8 percent in the fourth, the highest for a single quarter since fourth-quarter 1987. For the year as a whole, real GDP grew 2.1 percent, after falling more than 1 percent in 1991.

Consumer Spending Up

Inflation-adjusted consumer spending rose 2.2 percent in 1992, after dropping 0.6 percent in 1991. Spending jumped 4.8 percent in the fourth quarter, as interest rates slid and consumer confidence rose to prerecession levels. Spending on food and beverages, which accounts for about 16 percent of all consumer spending, rose only 0.4 percent in 1992 after adjusting for inflation, following a 1-percent decline in 1991. Sales at grocery stores were up less than 2 percent in 1992, before adjusting for inflation, compared with gains between 3.5 percent and 4.5 percent in the previous two years.

Although consumer spending rose in the second half of 1992, disposable income did not keep pace. Income rose 1.6 percent at an annual rate in the second half of the year, compared with a 3-percent rise in consumer spending. As a result, personal saving as a percent of disposable income fell from 5.3 percent in the second quarter to 4.5 percent in the fourth. If consumers attempt to rebuild their savings over the next six months instead of spending, economic growth could slow.

Job Growth Slow in 1992, Picking up in 1993

Consumer income growth lagged behind overall economic growth in 1992, mainly because employment growth was unusually slow for a recovery. The unemployment rate continued to climb well after the recession's end to peak at 7.7 percent in June 1992. However, the rate gradually dropped to 7 percent in February 1993, the lowest in more than a year.

Only about 600,000 jobs were added to payrolls in 1992, compared with job gains of about 2 million per year during the 1980's. The private service sector and state and local governments added jobs in 1992, but manufacturing saw a sharp loss of 250,000 jobs, the third consecutive year of decline.

The jobs picture brightened considerably in February, when more than 360,000 jobs were added. And, with factory overtime hours reaching a record high, continued demand increases are likely to lead to future job gains.

Rising productivity in 1992 allowed industrial production to rise 2.9 percent during the year. Gains continued in 1993. Capacity use increased along with rising production, and in February reached its highest rate since September 1991.

Inflation & Interest Rates Low

Relatively low inflation and low interest rates are major factors behind the improvement of the economy. Consumer prices rose 2.9 percent from December 1991 to December 1992, the lowest annual increase since 1986, when oil prices plummeted. Core inflation—consumer prices excluding food and energy components—registered the lowest annual increase since 1972 at 3.3 percent. Food prices rose 1.5 percent during the year, the smallest increase since 1976.

Interest rates fell during 1992 and early 1993, continuing a trend begun in late 1990, when the Federal Reserve lowered interest rates to mitigate the effects of the recession. The weak recovery also held interest rates down, and in 1992, 3-month Treasury bill rates averaged 3.5 percent, the lowest annual average since 1963 and markedly lower than the 5.4-percent average in 1991. Rates averaged about 3 percent during the first quarter of 1993.

Long-term rates reached historic lows as well during 1992, with yields on 30-year Treasury bonds averaging 7.7 percent. After the release of the Clinton Administration's proposals for economic growth in February 1993, yields fell below 7 percent for the first time since the bonds were regularly issued in 1977. Mortgage rates also fell throughout 1992 and continued to slide in early 1993. Lower mortgage rates helped spark an 18-percent rise in housing starts during 1992.

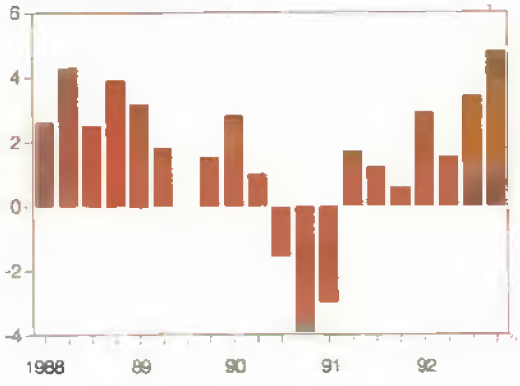
Administration Package Targets Growth

Stronger growth in the second half of 1992, and rising consumer confidence in the fourth quarter combined with low inflation and interest rates, have helped set the stage for moderate growth in 1993. However, with lackluster job growth in 1992 and the likelihood of continued high Federal deficits, the Administration proposed an economic package which, if enacted, would substantially affect the general economic environment agriculture faces over the next several years.

Growth Picks Up and the Outlook Improves

Real GDP Growth

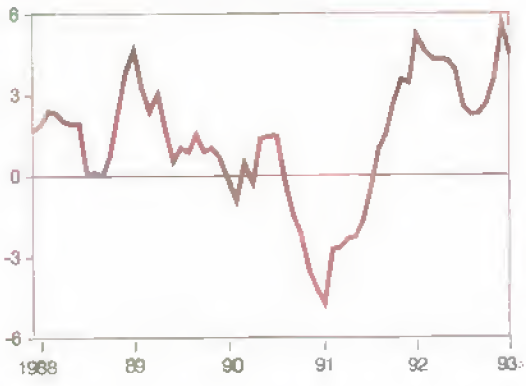
Percent change from previous quarter



Annualized rate.

Composite Index of Leading Indicators

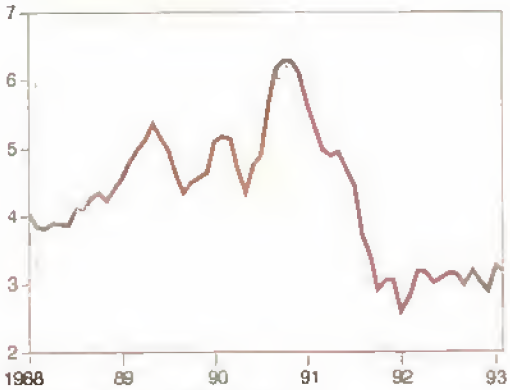
Percent change from previous year



... Prompted By Low Inflation and Declining Interest Rates

Consumer Price Inflation

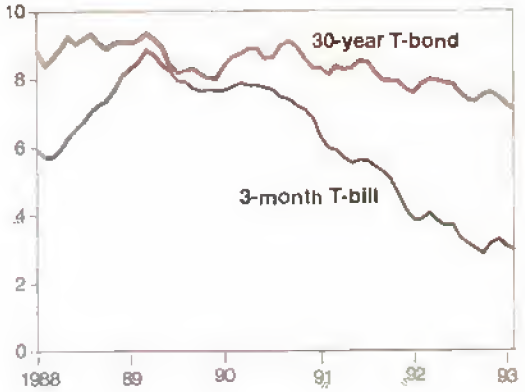
Percent change from previous year



Consumer Price Index–all urban consumers.

Short- and Long-Term Interest Rates

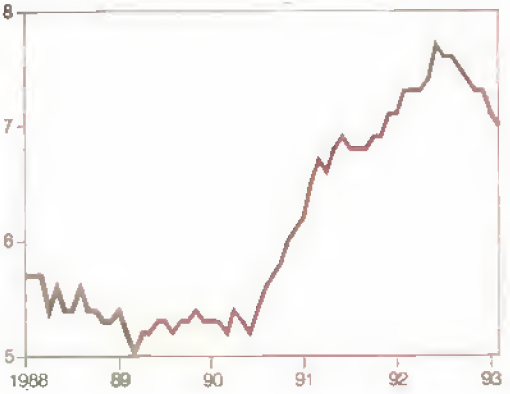
Percent



... As Unemployment Falls and Consumer Income Growth Begins To Strengthen

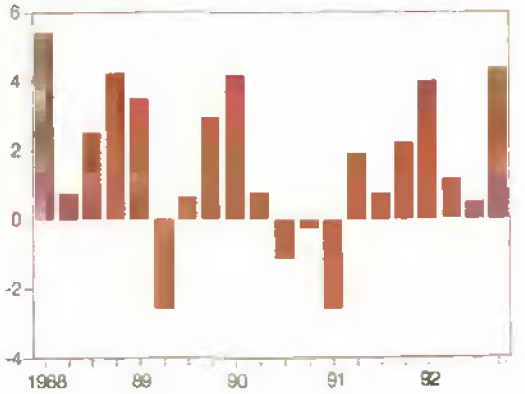
Civilian Unemployment Rate

Percent



Real Disposable Income Growth

Percent change from previous quarter



Annualized rate.

The proposals aim to stimulate the economy and generate jobs in the short term, expand government programs that enhance private sector productivity, scale back other programs, and encourage private investment by reducing the Federal deficit.

About $30 billion for programs and tax breaks is earmarked for stimulus in the short term. Major components include an extension of unemployment compensation benefits, an increase in summer job funding, and increased appropriations for highways and bridges. A 7-percent investment tax credit will be available through 1994, saving businesses about $12 billion.

The spending proposals would tend to add jobs directly and, with tax credits making it cheaper for businesses to buy new equipment, would encourage manufacturing to expand its work force. The Administration estimates that real GDP growth would be about 0.3 percent higher in 1993-94 if the stimulus package were enacted. At the same time, the unemployment rate in 1994 would likely average about 0.2 percentage points lower. However, inflation and short-term interest rates would likely be nudged higher by faster growth.

In the longer term, about $160 billion of tax incentives and spending spread through 1997 is aimed directly at promoting investment. Tax incentives account for about $60 billion, and government programs the other $100 billion.

Major tax incentives include a permanent 5-percent investment tax credit for small businesses and an extension of the research and experimentation tax credit. In addition, tax breaks are intended for businesses established in specified areas of high unemployment and poverty (enterprise zones), some of which would be in rural areas (see Special Article, page 32).

Programs to stimulate investment include a $35-billion "Rebuild America" plan focusing on technology, transportation, housing, community development, and conversion of defense industries to civilian uses. Another $35 billion will target education and training, with an additional $25 billion for health care and food safety. A major goal of the investment programs and tax incentives is to raise overall worker productivity which, over time, raises the long-term productive potential of the economy.

Deficit Reduction To Be Gradual

Many analysts believe that continuing high Federal deficits have lowered the economy's production potential by raising the real cost of borrowing and reducing private industry's incentive to acquire new equipment, invest in worker training, and build new plants. Over time, reducing the Federal deficit should lead to lower interest rates and higher rates of business investment which, like education and training programs, would tend to raise worker productivity.

The Administration's economic package proposes spending cuts of about $223 billion and tax increases of about $246 billion through 1997. Raising revenue and cutting programs would save $24 billion in interest payments and are projected to reduce the annual Federal deficit from 5.4 percent of GDP in 1993 to 2.7 percent in 1997.

Spending reductions are proposed in most categories: for defense spending a cut of $76 billion, and nondefense discretionary spending about $50 billion, including $16 billion to be trimmed from the nondefense Federal wage bill. The economic plan intends to save $12 billion by eliminating programs, and $99 billion by reducing entitlement spending.

On the revenue side, the proposal would increase the top personal income tax rate from 31 percent to 36 percent, and impose a 10-percent surcharge on taxable incomes over $250,000. This is estimated to generate about $97 billion in revenue. The maximum corporate income tax rate would rise to 36 percent, and an energy consumption tax would be phased in through 1996, raising $49 billion in revenue.

By itself, the deficit reduction portion of the overall program would have mixed results. In the short term, spending reductions and tax increases would tend to slow economic growth and raise unemployment. However, borrowing costs would shrink over the long term, encouraging expansion of private investment and offsetting some, if not all, of the contractionary effects of reducing spending and raising taxes. The Administration projects that the lower deficit and faster productivity growth would reduce longer term interest rates by about three-fourths of a percentage point on average from 1993 through 1998 after adjusting for inflation.

[Jennifer L. Beattie and R. M. Monaco (202) 219-0782] AO

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Today and Tomorrow

The U.S. Department of Agriculture's Outlook program analyzes the current situation for U.S. and world crops, and provides a forecast of future supplies and prices. "Today and Tomorrow" is an overview of the USDA Outlook program from its beginning in the 1920's, to the current comprehensive program of research and analysis. 3/86.

23 minutes Order No. VT002 $15.00

The Need To Know

Begins with a futuristic "what if?" opening, and then proceeds to outline the history, significance, and contributions of agricultural statistics and USDA's National Agricultural Statistics Service. 6/88.

23 minutes Order No. VT003 $15.00

Your Hometown

"Your Hometown" is an informative and entertaining look at small town rural America. Originally seen on public television stations nationwide, and narrated by James Whitmore, the program focuses on three rural communities where citizens use innovative thinking and teamwork to revitalize their own towns. 2/88.

1 hour Order No. VT004 $15.00

Alternative Agriculture: Growing Concerns

Can U.S. farmers produce at a profit while practicing low-input, sustainable agriculture (LISA)? "Growing Concerns" investigates the benefits and drawbacks of LISA. An excellent overview, this documentary was originally seen as a five-part series on national television. 1/89.

19 minutes Order No. VT005 $15.00

Ethanol: Economic and Policy Tradeoffs

Ethanol can contribute to the national goals of energy security, a clean environment, and a healthy economy, but there are tradeoffs. 11/89.

25 minutes Order No. VT006 $15.00

American Harvest

Farming in America is not what you think it is. That's the theme of this program which investigayes farms, farming and rural America, and farm families. Visit a "lifestyle" farm in Virginia, a soybean/hog operation in Illinois, and a large California farm that grows just about everything. 11/91.

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Special Article

New River Valley Economic Development Alliance

Enterprise Zones: Renewed Promise for Rural Development?

Enterprise zones, the state economic development concept that originally targeted America's inner cities and later was expanded to include rural communities, may soon be incorporated into a Federal program. Introduced in the early 1980's, enterprise zone programs use tax incentives and other economic inducements to encourage businesses to invest or expand in targeted distressed areas in the states administering the programs.

Building on lessons learned from the state programs, Federal zones might be more effective than their state predecessors in revitalizing rural communities. New features may include larger area limits, and provisions for multicommunity collaboration—alterations which are expected to improve performance of rural zones.

Federal enterprise zones are part of President Clinton's economic policy initiative, and Congress is expected to consider enterprise zone legislation in 1993, although the details have not been announced. The most recent Federal legislative proposal—in 1992—would have created 50 zones, half of them rural. If a similar proposal is enacted, it might involve USDA in selecting the rural zones and implementing the program.

Agriculture-dependent areas are only a small part of the rural economy, but they stand to benefit as much as other rural areas from successful enterprise zones. First, zones can stimulate farm input, processing, and other agricultural industries. Second, most farm households are dependent on off-farm income, and they will benefit from the job creation that results from zone programs. Although enterprise zone research has not focused on agricultural zones, inferences may be made from studies of rural and urban zones, and from case studies of agricultural zones.

Anatomy of an Enterprise Zone

Enterprise zones are areas of high unemployment and economic decline, designated to receive business tax incentives and other government assistance to stimulate the economy. Since their introduction in the early 1980's, zone programs have been adopted in 37 states. Most states in the Northeast, South, and Southwest currently have enterprise zone programs in operation, while most of the Northern Plains and Northwestern states have either discontinued programs or never adopted them.

Enterprise zones are usually parts of a municipality or its surrounding area, traditionally in large urban areas, although increasingly in small cities and rural places. States select communities for participation in the program through either a competitive or noncompetitive process. Under the competitive programs, which far outnumber the noncompetitive programs, communities compete for zone status based on both their level of economic distress and the strength of their proposals for implementing the programs. High levels of unemployment, poverty, and population decline are indications of communities' distress.

A strong community proposal would include an economic development plan supported by local businesses and residents. The plan may include local property tax incentives, streamlined permit processes, improvements for infrastructure, a neighborhood crime watch, and other activities for enhancing the local business climate.

In noncompetitive programs, zones are available to almost any area that meets the distress criteria and submits an application. These programs tend to be located in the south central part of the U.S. and typically create a large number of zones. Louisiana has an unusually large number—over 1,000 zones. Most states with competitive programs have fewer than 50. Tax incentives are the primary tool used in enterprise zone programs, but a myriad of other incentives are used to entice local businesses to expand and new businesses to enter an area. Among the most frequently used development tools are the following:

- Sales tax incentives are usually in the form of sales tax exemptions, or credits on corporate taxes based on sales taxes on equipment and construction purchases within the zone.

- **Job tax credits** reduce a firm's income taxes by a specified amount for each job it creates in the zone, sometimes with special incentives for hiring unemployed or otherwise disadvantaged zone residents.

- **Priority for other state assistance** is often given to enterprise zones, especially in the newer, competitive programs. Examples include priority for enterprise zones in receiving infrastructure assistance, business loans, Industrial Revenue Bonds, and training funds.

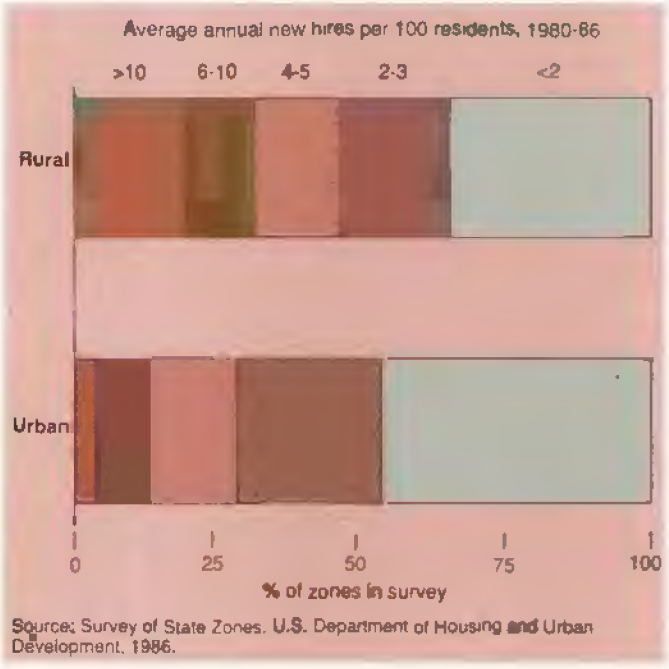
- **Priority for Federal assistance programs**, such as Community Development Block Grants and other programs from Federal development agencies, may be extended to enterprise zones.

- **Technical assistance** from state development officials may be provided to local zone administrators to help plan and implement their enterprise zone strategies.

Building on Experience Of State Programs

Among the lessons learned from the state programs is the need for greater flexibility in identifying rural zones and in implementing rural development strategies. The 1992 bill incorporated several provisions aimed at providing such flexibility in a Federal program.

Rural Enterprise Zones Score Better In Job Creation



Source: Survey of State Zones, U.S. Department of Housing and Urban Development, 1986.

For example, population minimums and zone area maximums have sometimes made it difficult for smaller towns and lightly populated areas to participate in state programs. The 1992 legislation would have restricted urban zones to a maximum of 20 square miles, but it was more flexible for rural zones, allowing them to contain up to 10,000 square miles.

In addition, the 1992 legislation would have encouraged multicommunity collaboration, allowing up to three noncontiguous parcels within a state to be included in a zone. Such collaboration is thought to improve local planning capacity and encourage the formation of a coherent, regional development strategy. For example, a rural tourism zone could be created for several small counties that might combine their efforts to market the region and build tourism industry links to major tourism markets.

Evaluations of state zone programs emphasize the importance of planning, local leadership, and community commitment in creating successful rural zones. The 1992 Federal legislation would have employed a competitive application process requiring the community and the state jointly to create an economic development plan. Zone status would have been awarded based on the level of community distress and on the plan's potential, including the perceived state, local, and business commitment to the plan. This means that businesses in Federal zones, in addition to receiving Federal tax breaks, would benefit from the combined efforts of Federal, state, and local institutions to enhance the community's business climate.

The Federal program envisioned in the 1992 legislation would be more costly than state counterparts. For one thing, the proposed Federal tax incentives were more generous than in state programs. Among these are exclusions from capital gains, writeoffs for stock purchases, wage credits for new hires, losses credited against ordinary income, and additional tax-exempt financing. The Federal program would also grant zone status for a relatively long period—15 years, compared with the 5-10-year period that most state programs provide. Many distressed rural areas demonstrate a capacity to rebound quickly given a modest boost from an enterprise zone, and thus the tax benefit and zone duration features in the proposed Federal program could be less cost effective in rural than in urban areas.

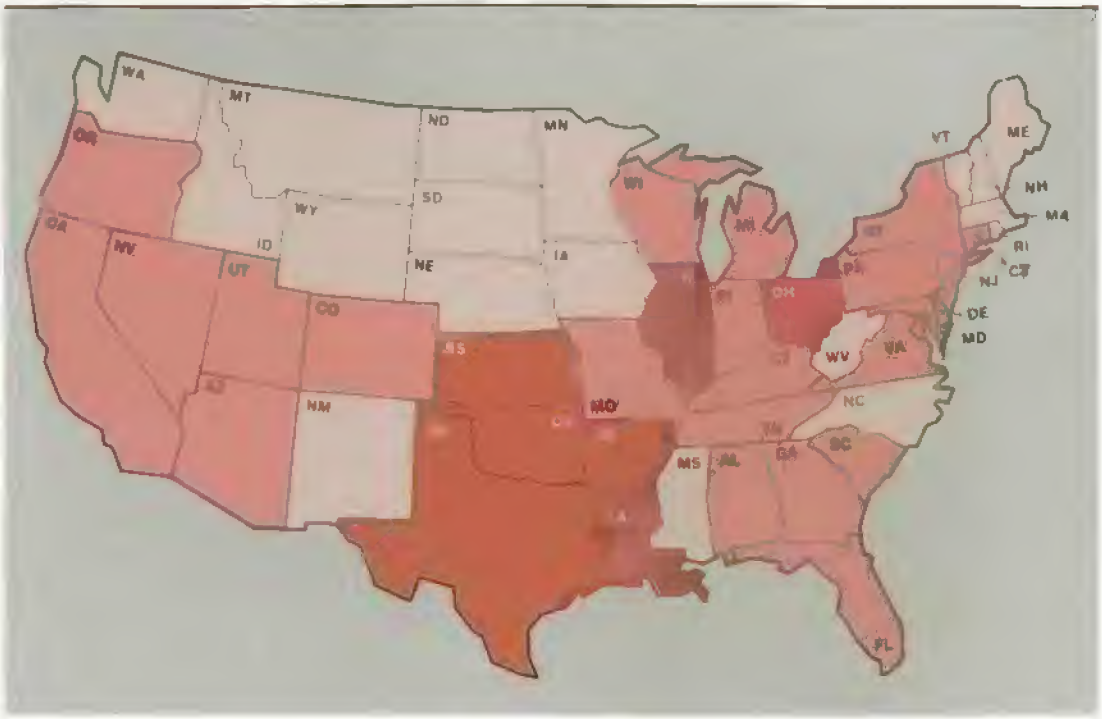
Goal Is Job Creation

The primary goal of enterprise zone programs is the creation of jobs, and evaluations of state programs have yielded evidence associating enterprise zones with local employment growth. More than a dozen evaluations of enterprise zone programs have been completed, including individual state and multistate evaluations, as well as case studies. Most examined job growth and/or the cost effectiveness of job creation under enterprise zone programs.

Four of the studies, which examined programs in California, New Jersey, and Illinois, found that employment grew faster in enterprise zones than in areas without zones, and that employment growth within a zone was faster after than before designation. Some of these studies, however, stopped short of

Special Article

Enterprise Zone Programs Are Concentrated in South Central States



Number of zones:
- None or inactive
- 1-50
- 50+

Source: U.S. Department of Housing and Urban Development.

attributing the observed employment growth to zone policy based on aggregate employment statistics alone.

Other studies on job growth asked firms directly whether the enterprise zone program contributed to the firm's job growth. Five state-level studies of zones—in California, New Jersey, New York, Louisiana, and Virginia—each found that at least half the firms surveyed believed that enterprise zones had contributed to their ability to promote job growth. Multistate case studies, published by the Small Business Administration and HUD, produced similar findings—a noticeable increase in job growth associated with enterprise zones.

Program success is measured not only by job creation but also by cost effectiveness relative to other job creation programs. Cost estimates developed in six studies covering programs in five states—New Jersey, Indiana, Louisiana, New York, and Virginia—ranged from $1,036 per job in Virginia to $13,070 in Indiana. These estimates are based on costs associated with permanent jobs. The wide variation in estimates is due largely to whether both direct and indirect jobs are counted. Most studies provide a range of estimates depending on which new jobs were counted. The median cost estimate in all the studies is around $4,000, and is comparable to cost estimates for other job creation programs, such as the Urban Development Action Grant program and Community Development Block Grant program.

Most evaluations fall short of wholeheartedly endorsing enterprise zones. The data and methods used to attribute jobs and costs to enterprise zones are less accurate than most evaluators would like. Some evaluations, for example, have questioned the validity of some of the jobs that are reportedly created in these studies. Questions also arise concerning who gets the jobs, and the types of jobs created. For example, in some programs, most of the jobs go to nonresidents. Some studies have reported many of the jobs as low-paying.

Critics of the enterprise zone concept have pointed out that if the jobs generated by enterprise zones resulted from relocation of firms from other areas, net national employment would gain little or nothing. But most evaluations suggest that zone job growth is associated with existing local firms or startups of new businesses, and few studies suggest that firm relocation is significant.

Rural Zones May Outperform Urban

A recent study by USDA's Economic Research Service examined job creation in over 100 zones, to determine the performance of rural enterprise zones compared with their urban counterparts. This study, using data from a 1986 HUD survey of zone coordinators, found that while urban zones created more jobs annually than rural, the typical rural zone created more jobs per resident. Rural zones were also more likely to provide a substantial employment boost relative to their populations. Only 2 out of 53 urban zones created jobs for more than 10 percent of their population over a period of a year, while 5 out of 26 rural zones reached this level. The most productive

rural zones had the smallest populations (less than 1,000) and were adjacent to metropolitan counties.

The findings parallel those from a study in Illinois comparing the performance of 12 urban enterprise zones in Cook County (which includes Chicago) with 15 enterprise zones in other parts of the state that were rural or contained smaller urban centers. After designation as enterprise zones, those outside Cook County improved their employment growth rates and outperformed downstate counties without zones, while the urban zones in Cook County had no statistically significant effect on total employment even though some individual industries benefited.

Several other studies suggest that rural or small-city zones have an advantage in cost effectiveness over urban zones. A study in Indiana, for example, found that the costs per job in small-city zones were lower than for zones in large cities. Two similar studies, in Kansas and Illinois, surveyed zone firms in large and small cities, and found that the percentage of participating firms attributing their job growth to zone policy was higher in the small city zones.

A Louisiana study examined the issue of whether growth occurs at the expense of another area, and found that only 20 percent of the jobs created in Louisiana's rural zones could be considered net additions to nationwide employment. A substantial percentage of zone firms in this study, unlike others, indicated they would have located outside the state except for the zone policy. This finding may reflect Louisiana's atypical, noncompetitive approach rather than an underlying problem of rural enterprise zones in general.

Only limited information is available on who gets rural zone jobs and what kind of jobs are produced. Data from the HUD survey indicate, however, that about 80 percent of the jobs go to zone residents, with almost half of the jobs going to low-income or unemployed people. Many of the jobs, however, are in traditional, rural manufacturing industries and not in high-paying high-tech firms.

Enterprise zones are not the answer for every rural place. Many agricultural and other rural areas lack basic requirements for development, such as low-cost transportation to markets. Some areas have suffered a deterioration of infrastructure, termination of rail service, or structural economic difficulties producing long-term declines in population and employment. These dilemmas are not very responsive to a development tool like the enterprise zone.

In addition, many rural communities lack the willingness and ability to pursue a workable economic development policy. One study in Kansas observed that many rural communities appear to have little interest in economic development policy, either because they are primarily residential or because they are agricultural service centers that look only to the farm sector for future development. Some rural communities that feel they could benefit from enterprise zones may be unable to obtain zone designation because their local governments lack the expertise and the financial resources to design and implement effective economic development strategies.

Measuring Success One Community at a Time

While no state or national studies have focused on zones in agricultural areas, case studies and anecdotal evidence suggest that zones have been effective in some. A 1990 Western Illinois University report contained an agriculture success story in Beardstown, Illinois.

Beardstown, with a population of 6,338 in 1980, is the main trade center in Cass County. The county suffered from the farm crisis of the early- and mid-1980's when farmland values fell and farmers lost farms. County population declined 11 percent from 1980 to 1986, and the county's assessed property value dropped 17 percent from 1982 to 1987. When the Oscar Meyer plant in Beardstown shut down, 300 jobs were lost, and when the city hospital closed, another 50 high-paying jobs were lost. Compounding the town's problems, the bridge across the Illinois River was closed, and another plant shutdown left an expensive environmental cleanup problem.

Because of the severity of the crisis, Beardstown hired a full-time economic development official—an unusual move for a small town. Effective local leadership and community commitment led to the creation of an enterprise zone in 1986. By 1990, the community had 1,600 additional jobs and a 2.5-percentage-point drop in unemployment. Many of the new jobs resulted from the expansion of existing resource-related industries, such as wood and meat processing. Beardstown also built on its retail base by improving highway access to a local shopping center. A Wal-Mart store opened in 1990, and several other retail establishments have since located at the same shopping center.

This case study illustrates that, with a motivated community and effective leadership, small towns and industries in agriculture-dependent areas can benefit from enterprise zones. Enterprise zones in these and other rural areas can function as a

Read More About It

The studies cited in this article are discussed in detail in a staff report by USDA's Economic Research Service—*Rural Enterprise Zones in Theory and Practice: An Assessment of Their Development Potential*, ERS Report No. AGES 9305, March 1993 (call 202-219-0542 for a free copy). Additional ERS analysis of the 1986 HUD enterprise zone survey can be found in "State Enterprise Zones in Nonmetro Areas: Are They Working?" *Rural Development Perspectives*, June-September 1991 ($9 per copy—call 1-800-999-6779 to order.) The AGES report is NOT available from the 800 number.

Special Article

catalyst, encouraging a community to plan and implement a more comprehensive development policy. The proposed 1992 Federal program, designed to encourage multicommunity collaboration as well as community planning and commitment, would have the potential to repeat the success of Beardstown in other rural places with similar characteristics.

Research to date paints a generally optimistic picture of rural enterprise zones, with most rural zones associated with modest economic growth. Enterprise zones can serve as a catalyst to turn around a rural economy when strong local leadership, community commitment, and an effective development strategy are present and other development tools are available. Initially many of the jobs created in these zones may be low-paying, but enterprise zones are also associated with the creation and growth of many small firms that might generate larger numbers of high-paying jobs in the long run and help diversify rural communities.

A Federal rural enterprise zone program by itself will not solve the problems of distressed rural areas. A Federal enterprise zone proposal is best viewed in the context of a larger array of public programs and private initiatives that encourage or empower distressed communities to engage in revitalization efforts across the country.
[Richard Reeder (202) 219-0542] AO

April Releases from USDA's Agricultural Statistics Board

The following reports are issued at 3 p.m. Eastern time on the dates shown.

April

2 *Floriculture Crops*
Poultry Slaughter
5 *Crop Progress*
Egg Products
6 *Dairy Products*
Hatchery Production, Annual
7 *Broiler Hatchery*
12 *Crop Production*
Crop Progress
13 *Potato Stocks*
Turkey Hatchery
14 *Broiler Hatchery*
Meat Animals, Prod., Disp., & Income
15 *Milk Production*
16 *Vegetables*
19 *Crop Progress*
21 *Broiler Hatchery*
Cold Storage
22 *Catfish Processing*
23 *Cattle on Feed*
Eggs, Chickens, & Turkeys
Livestock Slaughter
26 *Crop Progress*
28 *Broiler Hatchery*
Peanut Stocks & Processing
Poultry Production & Value
29 *Catfish Production*
30 *Agricultural Prices*

Statistical Indicators

Summary Data

Table 1.—Key Statistical Indicators of the Food & Fiber Sector

	1992					1993			
	I	II	III	IV	Annual	I F	II F	III F	Annual F
Prices received by farmers (1977=100)	142	141	138	137	140	139	--	--	--
Livestock & products	154	157	159	157	157	160	--	--	--
Crops	129	123	117	117	121	117	--	--	--
Prices paid by farmers, (1977=100)									
Production items	172	174	175	175	174	176	--	--	--
Commodities & services, interest, taxes, & wages	190	191	192	192	191	193	--	--	--
Cash receipts ($ bil.) 1/	166	171	175	--	--	--	--	--	--
Livestock ($ bil.)	84	86	85	--	--	--	--	--	--
Crops ($ bil.)	82	85	90	--	--	--	--	--	--
Market basket (1982-84=100)									
Retail cost	138	138	138	139	138	--	--	--	--
Farm value	102	103	104	104	103	--	--	--	--
Spread	157	157	157	158	157	--	--	--	--
Farm value/retail cost (%)	26	26	26	26	26	--	--	--	--
Retail prices (1982-84=100)									
Food	138	138	138	139	138	140	--	--	--
At home	137	137	137	137	137	139	--	--	--
Away from home	140	140	141	142	141	143	--	--	--
Agricultural exports ($ bil.) 2/	11.3	10.1	9.7	11.8	42.4	11.6	10.3	8.8	42.5
Agricultural imports ($ bil.) 2/	6.1	6.2	6.2	6.1	24.3	6.2	6.3	5.9	24.5
Commercial production									
Red meat (mil. lb.)	10,086	9,915	10,405	10,374	40,780	10,029	10,282	10,652	41,621
Poultry (mil. lb.)	6,309	6,624	6,815	6,641	26,387	6,535	6,880	7,000	27,220
Eggs (mil. doz.)	1,458	1,454	1,464	1,500	5,982	1,465	1,460	1,470	5,905
Milk (bil. lb.)	38.0	39.1	37.5	37.2	151.7	38.2	39.3	37.0	151.5
Consumption, per capita									
Red meat and poultry (lb.)	50.7	51.4	52.8	53.7	208.6	51.0	52.3	53.5	211.3
Corn beginning stocks (mil. bu.) 3/	1,521.2	6,541.1	4,561.0	2,738.6	--	1,100.3	7,901.7	--	--
Corn use (mil. bu.) 3/	2,462.1	1,984.5	1,827.8	1,641.6	7,916.1	2,678.8	--	--	8,345.0
Prices 4/									
Choice steers--Neb. Direct ($/cwt)	75.77	75.94	73.88	75.86	75.36	79-80	72-78	70-76	72-78
Barrows & gilts--IA, So. MN ($/cwt)	39.55	45.70	44.39	42.48	43.03	43-44	40-46	40-46	39-45
Broilers--12-city (cts./lb.)	50.2	52.3	54.5	53.3	52.6	53-54	50-56	51-57	50-56
Eggs--NY gr. A large (cts./doz.)	63.8	62.0	64.5	71.4	65.4	72-73	67-73	70-76	70-76
Milk--all at plant ($/cwt)	12.97	12.87	13.47	13.10	13.10-13.90	12.10-12.30	11.35-12.35	11.80-12.80	12.05-12.85
Wheat--KC HRW ordinary ($/bu.)	4.50	3.94	3.45	3.73	3.91	--	--	--	--
Corn--Chicago ($/bu.)	2.66	2.59	2.26	2.12	2.41	--	--	--	--
Soybeans--Chicago ($/bu.)	5.75	5.93	5.51	5.52	5.68	--	--	--	--
Cotton--Avg. spot 41-34 (cts./lb.)	51.4	56.4	57.3	50.4	53.9	--	--	--	--

	1985	1986	1987	1988	1989	1990	1991	1992	1993 F
Gross cash income ($ bil.)	157.9	152.8	165.2	172.7	180.2	186.4	183.2	184	183-191
Gross cash expenses ($ bil.)	110.7	105.0	109.4	114.6	121.2	125.2	125.2	126	123-129
Net cash income ($ bil.)	47.1	47.8	55.8	58.1	58.9	61.3	58.0	59	58-64
Net farm income ($ bil.)	28.8	31.0	39.7	41.1	49.9	51.0	44.6	50	43-49
Farm real estate values 5/									
Nominal ($ per acre)	713	713	640	599	632	661	668	681	685
Real (1982 $)	657	657	568	518	530	533	517	506	491

1/ Quarterly data seasonally adjusted at annual rates. 2/ Annual data based on Oct.-Sept. fiscal years ending with year indicated. 3/ Sept.-Nov. first quarter, Dec.-Feb. second quarter; Mar.-May third quarter; Jun.-Aug. fourth quarter; Sept.-Aug. annual. Use includes exports & domestic disappearance. 4/ Simple averages, Jan.-Dec. 5/ 1990-92 values as of January 1. 1986-89 values as of February 1. 1984-85 values as of April 1. F = forecast, — = not available.

U.S. & Foreign Economic Data

Table 2.—U.S. Gross Domestic Product & Related Data

	Annual			1991	1992			
	1990	1991	1992	IV	I	II	III	IV R
	$ billion (quarterly data seasonally adjusted at annual rates)							
Gross domestic product	5,522.2	5,677.5	5,950 7	5,753.3	5,840.2	5,902 2	5,978.5	6,082.1
Gross national product	5.542.9	5,694.9	—	5,764.1	5,859.8	5,909.3	5.992.0	—
Personal consumption expenditures	3.748.4	3,887.7	4,094 9	3,942.9	4,022.8	4,057.1	4,108.7	4,190.9
Durable goods	464.3	446.1	480.3	450.4	469.4	470.6	482.5	498.7
Nondurable goods	1,224.5	1,251.5	1,290.5	1,251.4	1,274.1	1,277.5	1,292.8	1,317.7
Clothing & shoes	206.9	209.0	221.8	206.8	216.5	217.4	224.3	229 0
Food & beverages	601.4	617.7	630 6	620.0	627.9	623.2	627.3	644.2
Services	2.059.7	2,190.1	2.324.0	2.241.1	2,279.3	2,309.0	2,333.3	2,374.5
Gross private domestic investment	799.5	721.1	770.9	736.1	722.4	773 2	781.6	806.4
Fixed investment	793.2	731.3	766.2	726.9	738.2	765.1	766.6	794.8
Change in business inventories	6.3	−10.2	4.7	9.2	−15.8	8 1	15.0	11.6
Net exports of goods & services	−68.9	−21.8	−30.2	−16.0	−8.1	−37.1	−36.0	−39 6
Government purchases of goods & services	1,043.2	1,090.5	1,115.2	1,090.3	1,103.1	1,109.1	1,124.2	1,124.3
	1987 $ billion (quarterly data seasonally adjusted at annual rates)							
Gross domestic product	4,877.5	4,821.0	4,922.8	4,838.5	4,873.7	4,892 4	4,933.7	4,991.5
Gross national product	4,895.9	4,836 4	—	4,848.2	4,890.7	4,899.1	4,945.6	—
Personal consumption expenditures	3,260.4	3,240.8	3,313.5	3,249.0	3,289.3	3,288.5	3,318.4	3,357.7
Durable goods	439.3	414.7	439.1	416.1	432 3	430.0	439.8	454.4
Nondurable goods	1,056.5	1,042 4	1,054.1	1,035.6	1,049.6	1,045.6	1,052.0	1,069.3
Clothing & shoes	185.9	181.3	188.3	177.5	184.1	184.4	190.8	194.0
Food & beverages	520.8	515.8	518.3	515.3	518.9	513.5	514.3	526.3
Services	1,764.6	1,783.7	1,820.2	1,797.4	1,807.3	1,812.9	1,826.6	1,834.0
Gross private domestic investment	739.1	661.1	712.8	676.9	668.9	713.6	724 9	743 7
Fixed investment	732.9	670.4	707.8	669.3	681.4	705.9	710.0	733.8
Change in business inventories	6.2	−9.3	5.0	7.5	−12.6	7 8	15.0	9.9
Net exports of goods & services	−51.8	−21.8	−41.5	−20.5	−21.5	−43.9	−52.7	−48.0
Government purchases of goods & services	929.9	941.0	938.1	933.1	937.0	934.2	943.0	938.0
GDP implicit price deflator (% change)	4.3	4.1	2.6	2.4	3.1	2.7	2.0	2.0
Disposable personal income ($ bil.)	4,042.9	4,209.6	4,430.7	4,284 9	4,360.9	4,411.8	4,433 2	4,517.0
Disposable per. income (1987 $ bil.)	3,516.5	3,509.0	3,585.3	3,530.8	3,565.7	3,576.0	3,580.5	3,619.0
Per capita disposable per. income ($)	16,174	16,658	17,346	16,885	17,143	17,297	17,332	17,609
Per capita dis. per. income (1987 $)	14,068	13,886	14,036	13,913	14,017	14,021	13,998	14,108
U.S. population, total, incl. military abroad (mil.) *	249.9	252.7	255.4	253.7	254.3	254 9	255.7	256.5
Civilian population (mil.) *	247.8	250.6	253.5	251.6	252.3	253.0	253.7	254.6

	Annual			1992				1993
	1990	1991	1992	Jan	Oct	Nov	Dec.	Jan
	Monthly data seasonally adjusted							
Industrial production (1987=100)	109.2	107.1	108.7	106.6	109.7	110 3	110.5	111.0
Leading economic indicators (1982=100)	143.8	143.4	148.8	146 3	149.1	150.2	152.8	152.9
Civilian employment (mil. persons)	117.9	116.9	117.6	117.0	117.7	118.1	118.3	118.1
Civilian unemployment rate (%)	5.5	6.7	7.4	7.1	7.4	7.3	7.3	7.1
Personal income ($ bil annual rate)	4,664 2	4,828.3	5,058.0	4,943.2	5,144.7	5,144.0	5.192 9	5.217.4
Money stock–M2 (daily avg.) ($ bil.) 1/	3,345.5	3,445.8	3,504.0	3,451.0	3,496 9	3,505.6	3,504.0	3,492.3
Three–month Treasury bill rate (%)	7.51	5.42	3.45	3.84	2.84	3.14	3.25	3.06
AAA corporate bond yield (Moody's) (%)	9.32	8.77	8.14	8.20	7.99	8.10	7.98	7.91
Housing starts (1,000) 2/	1,193	1,014	1,200	1,164	1,226	1,226	1,285	1,192
Auto sales at retail, total (mil.)	9.5	8.4	8.4	8.0	8.3	8 2	8.7	8.6
Business inventory/sales ratio	1.53	1.55	1.50	1 54	1.49	1.48	1.46	—
Sales of all retail stores ($ bil.)	150.6	151.8	—	157.1	165.6	165.4	166.8	167.4
Nondurable goods stores ($ bil.)	97.1	99.1	102.6	100.5	104.4	104.7	105.4	105.3
Food stores ($ bil.)	30.2	30.9	—	32.1	32 5	32.7	32.9	32.7
Eating & drinking places ($ bil.)	15 2	15.8	—	16.7	17.2	17.2	17.4	17.3
Apparel & accessory stores ($ bil.)	7.9	8.0	—	8.1	8.8	8.6	9 0	8.9

1/ Annual data as of December of the year listed. 2/ Private, including farm. R = revised. P = preliminary. — = not available.

Note: * Population estimates based on 1990 census.

Information contact: Ann Duncan (202) 219–0313.

Table 3.—Foreign Economic Growth, Inflation, & Exports

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992 E	1993 F	1994 F	Average 1981–90
	Annual percent change												
World, less U.S.													
Real GDP	2.4	3.6	3.4	3.0	3.5	4.4	3.5	3.0	1.1	1.3	1.8	3.2	3.0
GDP deflator	8.3	7.8	8.0	7.5	9.0	10.8	10.8	24.5	16.5	43.3	35.0	20.6	10.5
Real exports	2.2	9.5	3.9	2.1	5.9	7.8	8.7	6.4	3.7	3.7	4.2	4.6	5.3
Developed less U.S.													
Real GDP	2.1	3.2	3.4	2.7	3.2	4.5	3.6	3.5	1.4	1.2	1.2	2.6	2.9
GDP deflator	6.2	4.8	3.8	3.9	2.8	3.6	4.2	4.4	4.4	4.0	3.7	2.7	5.6
Real exports	2.7	10.6	5.4	-0.1	4.1	7.3	9.7	7.8	4.8	4.0	3.7	4.1	5.7
Eastern Europe & C.I.S.													
Real GDP	3.6	4.0	2.2	3.6	2.6	3.8	1.5	-3.2	-13.3	-12.2	-6.9	-2.1	2.2
GDP deflator 1/	4.2	5.0	6.4	8.1	12.8	35.3	41.3	192.6	68.9	176.0	84.1	38.2	32.2
Real exports	4.6	6.2	-4.0	9.1	7.6	8.5	-5.3	-6.9	-22.1	-9.1	0.6	2.1	2.6
Developing													
Real GDP	3.1	4.7	4.0	3.9	4.5	4.4	3.6	3.2	3.7	4.4	5.1	6.0	3.6
GDP deflator	38.7	37.3	36.4	25.5	33.1	26.4	19.2	16.9	14.4	15.3	14.9	13.3	28.9
Real exports	0.4	7.2	1.7	7.5	11.1	9.4	9.0	5.5	6.1	5.3	6.0	6.2	4.9
Asia													
Real GDP	8.2	7.9	5.9	7.2	8.6	9.1	5.5	5.7	5.0	6.3	6.3	6.3	7.0
GDP deflator	6.3	7.5	5.9	4.4	7.8	8.2	6.1	8.4	7.5	9.2	8.3	7.4	6.7
Real exports	8.4	11.3	2.9	19.0	15.8	14.9	8.2	7.3	9.2	8.9	10.7	9.9	9.2
Latin America													
Real GDP	-2.7	3.7	3.6	4.4	3.0	0.0	1.3	-1.3	2.6	1.7	2.9	3.4	1.1
GDP deflator 1/	30.3	40.8	69.0	62.8	125.5	66.5	35.9	29.6	22.7	23.8	20.5	17.7	49.6
Real exports	2.0	12.0	2.0	0.0	8.0	6.8	10.4	3.9	3.1	2.6	2.2	4.0	5.2
Africa													
Real GDP	1.1	2.2	2.3	1.4	0.6	2.9	2.8	0.9	2.2	1.8	2.9	2.9	1.7
GDP deflator	16.7	12.2	12.2	8.4	25.3	17.4	19.6	15.0	18.0	13.7	18.9	17.9	14.5
Real exports	-5.3	-1.5	3.5	-1.0	0.0	2.9	5.0	7.5	6.1	1.7	1.5	2.8	-2.0
Middle East													
Real GDP	4.5	1.2	1.7	-3.6	-0.1	-0.2	2.5	5.8	2.9	5.7	6.8	6.4	1.9
GDP deflator	-4.5	1.2	3.1	5.7	14.6	9.5	13.5	20.4	2.7	8.9	12.6	11.3	7.9
Real exports	-19.6	-6.7	-7.1	-3.8	24.6	4.8	21.0	5.0	17.2	9.8	4.9	15.9	0.1

1/ Excludes Yugoslavia, Argentina, Brazil, & Peru starting in 1989. E = estimate. F = forecast.

Information contact: Alberto Jerardo, (202) 219-0717.

Farm Prices

Table 4.—Indexes of Prices Received & Paid by Farmers, U.S. Average

	Annual			1992					1993	
	1990	1991	1992 P	Feb	Sept	Oct	Nov	Dec	Jan R	Feb P
				1977 = 100						
Prices received										
All farm products	149	145	139	143	143	138	138	137	139	139
All crops	127	129	121	129	117	117	115	118	117	116
Food grains	127	129	121	154	130	130	133	134	136	134
Feed grains & hay	123	118	115	123	109	104	104	104	107	106
Feed grains	118	115	114	122	107	101	100	99	102	101
Cotton	107	108	87	82	87	87	84	90	87	86
Tobacco	152	161	155	171	163	163	164	163	161	169
Oil-bearing crops	94	91	85	85	85	83	85	86	89	88
Fruit all	186	262	183	207	159	157	170	162	146	136
Fresh market 1/	196	285	188	216	158	154	168	181	142	130
Commercial vegetables	142	135	151	177	156	166	141	168	165	163
Fresh market	144	140	157	180	164	179	144	176	174	175
Potatoes & dry beans	189	141	126	102	130	120	127	129	133	131
Livestock & products	170	161	157	156	158	158	158	158	159	160
Meat animals	193	186	176	177	176	180	172	174	161	165
Dairy products	141	126	135	133	139	138	135	132	129	127
Poultry & eggs	131	124	117	111	120	120	127	124	122	121
Prices paid										
Commodities & services, interest, taxes, & wage rates	184	189	191	190	192	192	192	192	193	193
Production items	171	174	174	172	175	175	175	175	176	176
Feed	128	123	123	—	—	119	—	—	121	—
Feeder livestock	213	214	202	—	—	206	—	—	216	—
Seed	165	163	162	—	—	152	—	—	162	—
Fertilizer	131	134	131	—	—	128	—	—	128	—
Agricultural chemicals	139	151	159	—	—	161	—	—	161	—
Fuels & energy	204	203	199	—	—	205	—	—	198	—
Farm & motor supplies	154	154	160	—	—	161	—	—	161	—
Autos & trucks	231	244	258	—	—	262	—	—	265	—
Tractors & self-propelled machinery	202	211	219	—	—	224	—	—	224	—
Other machinery	216	226	233	—	—	235	—	—	235	—
Building & fencing	143	146	150	—	—	152	—	—	152	—
Farm services & cash rent	166	170	172	—	—	172	—	—	172	—
Int. payable per acre on farm real estate debt	177	172	167	—	—	167	—	—	164	—
Taxes payable per acre on farm real estate	158	160	171	—	—	171	—	—	178	—
Wage rates (seasonally adjusted)	193	201	210	—	—	201	—	—	201	—
Production items, interest, taxes, & wage rates	172	175	176	—	—	176	—	—	177	—
Ratio, prices received to prices paid (%) 2/	81	77	73	75	72	72	71	71	72	72
Prices received (1910–14=100)	681	655	636	653	631	633	623	628	634	634
Prices paid, etc., (parity index) (1910–14=100)	1,267	1,298	1,317	—	—	1,323	—	—	1,330	—
Parity ratio (1910–14=100) (%)2/	54	51	48	—	48	48	47	47	48	—

1/ Fresh market for noncitrus; fresh market & processing for citrus. 2/ Ratio of index of prices received for all farm products to index of prices paid for commodities & services, interest, taxes, & wage rates. Ratio uses the most recent prices paid index. Prices paid data are quarterly & will be published in January, April, July, & October. R = revised. P = preliminary. — = not available.

Information contact: Ann Duncan (202) 219-0313.

Table 5.—Prices Received by Farmers, U.S. Average

	Annual 1/			1992					1993	
	1990	1991	1992 P	Feb	Sept	Oct	Nov	Dec	Jan R	Feb P
CROPS										
All wheat ($/bu.)	2.61	3.00	3.30	3.78	3.21	3.21	3.29	3.31	3.37	3.31
Rice, rough ($/cwt)	6.70	7 58	6.10	7.97	6.40	6 37	6.38	6.39	6 36	6.21
Corn ($/bu.)	2.28	2.37	2.05	2.46	2.15	2.04	1.98	1.98	2.03	2.02
Sorghum ($/cwt)	3.79	4.02	3.39	4.19	3.68	3.23	3.22	3.27	3 38	3.30
All hay, baled ($/ton)	80.60	71.00	74.00	71.10	68.50	70.50	74.10	73.80	75.10	77.70
Soybeans ($/bu.)	5.74	5 60	5.40	5.59	5.35	5.26	5.36	5 46	5.58	5.50
Cotton, upland (cts./lb.)	68.2	58.3	—	49.8	52.6	52.7	51.0	54.2	52.7	52 2
Potatoes ($/cwt)	6.08	4 96	5.28	4.08	4 99	4.68	4.88	5.01	5.24	5.15
Lettuce ($/cwt) 2/	11.50	11.40	12.40	6.76	20.80	13.40	9.50	16.90	10.90	11.00
Tomatoes fresh ($/cwt) 2/	27.40	31.80	36.20	76.00	30.10	59.60	39.70	39.50	38.30	24.20
Onions ($/cwt)	10.50	12.50	12.80	12.80	12.40	12.20	12.60	15.20	17.00	14.70
Dry edible beans ($/cwt)	18.50	15.60	21.00	15.20	20.20	20.30	21.30	21.50	21.10	20.60
Apples for fresh use (cts./lb.)	20.9	25.0	—	24.6	29.3	22.4	19.9	20.0	19.2	17.8
Pears for fresh use ($/ton)	360.00	385.00	399.00	383.00	428 00	398 00	449 00	380.00	362 00	393.00
Oranges, all uses ($/box) 3/	6.16	6.78	5.83	6.30	1.37	1.79	3.80	2.90	2.66	2.39
Grapefruit, all uses ($/box) 3/	5.86	5 48	6.16	6 35	3.73	7.09	4.11	4.66	3 00	2 42
LIVESTOCK										
Beef cattle ($/cwt)	74 80	72.90	71.50	72.50	71.80	71.80	70.20	70.80	74 20	75.10
Calves ($/cwt)	96.50	99.90	89.60	92.80	87.40	86.00	86.50	87.00	93.20	93.90
Hogs ($/cwt)	54.00	48.80	41.80	40.20	41.90	41.90	40.90	41.80	41 40	43.60
Lambs ($/cwt)	56.00	52 50	60.70	55.20	56.70	55.40	58.20	65.20	67.00	70.60
All milk, sold to plants ($/cwt)	13.70	12.20	13.10	12.90	13.50	13.40	13.10	12.80	12 50	12.30
Milk, manuf. grade ($/cwt)	12 34	11.05	11 88	11.30	12.30	12 20	12.00	11 50	11.10	10 90
Broilers (cts./lb.)	32 4	31.0	31.7	29.9	31.8	32.9	33.2	31.3	31.5	31.8
Eggs (cts./doz.) 4/	70.4	66.2	56.4	54.3	59 5	56.9	64.9	64.4	63.7	61.5
Turkeys (cts./lb.)	38.4	37.7	37.4	35.3	37.1	38.6	39.0	39.2	35.9	34.8
Wool (cts./lb.) 5/	80.0	55.0	55.0	47.9	52.2	69.5	61.7	48.8	43.3	43.7

1/ Season average price by crop year for crops. Calendar year average of monthly prices for livestock. 2/ Excludes Hawaii. 3/ Equivalent on-tree returns. 4/ Average of all eggs sold by producers including hatching eggs & eggs sold at retail. 5/ Average local market price, excluding incentive payments. P = preliminary. R = revised. — = not available.

Information contact: Ann Duncan (202) 219-0313.

Producer & Consumer Prices

Table 6.—Consumer Price Index for All Urban Consumers, U.S. Average (Not Seasonally Adjusted)

	Annual	1992						1993	
	1992	Feb	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb
					1982-84=100					
Consumer Price Index, all items	140.3	138.6	140.5	140.9	141.3	141.8	142.0	141 9	142.6	143.1
Consumer Price Index, less food	140.8	138.8	141.1	141.4	141.8	142.4	142 7	142.5	143.1	143.7
All food	137.9	137.5	137.2	138.0	138.5	138.3	138.3	138.7	139.8	139.9
Food away from home	140.7	139.9	140.8	141.0	141.2	141.3	141.5	141.6	142.0	142.2
Food at home	136.8	136.6	135.7	136.9	137.4	137.2	137.0	137.5	139.1	139.1
Meats 1/	130.7	130.3	130 0	130.6	130.9	131.1	131.2	131.1	132.3	132.1
Beef & veal	132.3	131 8	130.7	131.4	131.8	132.6	132.9	132.8	135.1	135 6
Pork	127 8	127 2	129.1	129.5	129.4	128.7	127.9	127.4	127.9	127.2
Poultry	131.4	128 1	132.1	133 7	134.0	133.3	133.6	133.7	134.6	133.1
Fish	151.7	151.0	150.4	151.6	151 2	151 4	151.2	152.0	157.2	157.5
Eggs	108.3	110.7	104.7	102.2	111.6	109.3	113.4	117.7	116.2	115.6
Dairy products 2/	128 5	128.1	128.3	129.2	129.7	130.1	129.4	129.1	129.5	128.8
Fats & oils 3/	129.8	131.3	129.9	129.5	129.9	129.9	128.5	128.4	130 2	130.7
Fresh fruit	184 2	183.1	173.3	181.4	189.2	182.1	181.4	191.8	191.0	187.0
Processed fruit	137.7	138.5	138 4	138.2	138.0	136.4	135.5	134.8	133.3	134 5
Fresh vegetables	157.9	163.5	148.1	153.8	152.8	155.2	158.4	166.1	172.4	171.1
Potatoes	141.5	131.7	155.9	164.7	153.1	143.0	136.0	137.2	139.7	138.9
Processed vegetables	128.6	129.0	129.2	130.2	129.1	129.1	127.7	127.3	129.6	128.9
Cereals & bakery products	151.5	149.3	152.4	153.1	152.6	152.8	152.7	153.3	153.4	154.9
Sugar & sweets	133.1	132.4	133.8	133.8	133.7	133.7	133.0	132.1	133 1	133.3
Beverages, nonalcoholic	114.3	116.0	113.9	114.1	114.2	114.1	112.4	112.3	113.5	115.1
Apparel										
Apparel, commodities less footwear	130.2	128.7	126.8	128.1	131.7	133.7	133.1	129.4	127.3	131.9
Footwear	125.0	122.4	124.4	124.9	126.3	127.1	126.0	125.1	124.4	125.2
Tobacco & smoking products	219.8	213.4	220.5	221.5	224.0	225.6	225.0	229.9	234.6	235.6
Beverages, alcoholic	147 3	145.7	147.7	147.6	148.0	148.2	148.2	148.1	148.7	149.1

1/ Beef, veal, lamb, pork, & processed meat. 2/ Includes butter. 3/ Excludes butter.

Information contact: Ann Duncan (202) 219-0313.

Table 7.—Producer Price Indexes, U.S. Average (Not Seasonally Adjusted)

	Annual			1992						1993
	1989	1990	1991	Jan	Aug	Sept R	Oct	Nov	Dec	Jan
					1982 = 100					
All commodities	112.2	116.3	116.5	115.6	117.7	118.0	118.1	117.8	117.6	118.0
Finished goods 1/	113.6	119.2	121.7	121.8	123.6	123 3	124.3	123.9	123.8	124.0
All foods 2/	117 8	123.2	122.2	120.1	120.6	120.7	121.0	120.9	121.7	121.3
Consumer foods	118.7	124 4	124.1	122.5	123.4	123.3	123.6	123.3	124.1	123 8
Fresh fruit & melons	113.2	118.1	129.9	99.2	78.6	73.4	78.5	91.1	84.1	79.3
Fresh & dried vegetables	116.7	118.1	103.8	108.1	118.8	107.5	141.4	114.3	134.1	132.1
Dried fruit	103.0	106.7	111.8	114.0	114.2	113.9	113.6	113.7	114.9	116.2
Canned fruit & juice	122.7	127.0	128.6	134.7	135 5	133.3	132.3	130.6	129.9	128.1
Frozen fruit & juice	123.9	139.0	116.3	113.6	123.1	121.7	117.5	116.3	113.8	108.8
Fresh veg. excl. potatoes	103.9	107.8	100.2	117.2	114.8	114.8	149.4	108.2	133.4	128.7
Canned veg & juices	118.6	116.7	112.9	110.3	109.6	109.2	109.1	110.0	110.5	109.9
Frozen vegetables	115.5	118.4	117.6	116.6	115.4	116.7	116.5	117.6	118 2	118.2
Potatoes	153.6	157.3	125.7	94.8	171.8	116.1	107 0	112.9	108.4	120.2
Eggs for fresh use	3/	3/	3/	77.1	73.7	85.8	78.1	91.9	89.9	87.1
Bakery products	135.4	141.0	146.6	149.5	153 2	153.4	153.9	153.8	154.7	155.5
Meats	104.8	117.0	113.5	103 8	106.7	106.6	106.6	105.3	108.4	107 9
Beef & veal	108.9	116.0	112.2	106.7	107.8	107.8	109.5	108.7	114.8	113.4
Pork	97.7	119.8	113.4	93.3	101.7	101.4	98.8	95.8	97.0	97.0
Processed poultry	120.4	113.6	109.9	105.1	111.8	111.1	111.8	111.3	109.2	108.3
Fish	142.9	147.2	149.5	153.1	147.8	150.0	140.4	139.6	147.5	146.7
Dairy products	110.6	117 2	114 6	118.3	120.0	120.0	119.5	118.8	117.3	116.2
Processed fruits & vegetables	119.9	124.7	119.6	122 1	120.5	119.8	119.0	119.0	118.8	117.5
Shortening & cooking oil	116.6	123.2	116.5	113 2	112.4	113.6	112.6	115.6	118.5	118.5
Soft drinks	177.7	122.3	125.5	126.2	125.0	125.3	125.4	125.9	126 1	126.7
Consumer finished goods less foods	108.9	115.3	118.7	118.8	121.5	121.4	122.2	121.7	121.1	121.4
Beverages, alcoholic	115.2	117.2	123.7	125.6	126.6	125.7	125.4	125.6	125.4	125.8
Apparel	114.5	117.5	119.6	121 7	122.0	122.7	122 8	122.9	123.0	123 2
Footwear	120.8	125 6	128.6	130.6	132.5	132.8	131.5	132.2	133 2	133.2
Tobacco products	194.8	221.4	249.7	268 1	265.9	274.1	274.0	276.6	285.1	291.9
Intermediate materials 4/	112.0	114.5	114 4	113.2	115.5	115.8	115.4	115.1	114.9	115.3
Materials for food manufacturing	112.7	117.9	115.3	113.7	114.0	114.5	112.8	112.8	113 3	113.2
Flour	114.6	103.6	96.8	111.8	101.6	106.2	106.8	107.5	105.4	109.7
Refined sugar 5/	118.2	122.7	121.6	120.0	120.4	119 6	119.9	119.8	119.8	118.2
Crude vegetable oils	103.7	115.8	103.0	94.7	89.7	93.2	91.5	96.1	101.9	104.0
Crude materials 6/	103.1	108.9	101.2	96.9	100.6	102.4	101.8	101.5	100.5	101.4
Foodstuffs & feedstuffs	111 2	113.1	105.5	103.7	103.7	102.9	103.5	102.8	104.4	105.2
Fruits & vegetables & nuts 7/	114.6	117.5	114.7	99.6	95.9	89.3	104.9	101.9	106.0	103.4
Grains	106.4	97.4	92.0	103.1	84 2	90 6	87.8	95.8	89.2	89.9
Livestock	106.1	115.6	107.9	100.0	104.2	103 4	104.2	101.8	106.3	108.3
Poultry, live	128.8	118.8	111.2	106.9	120.5	111.8	119.3	121.7	108.9	112.0
Fibers, plant & animal	107.8	117.8	115 1	85.4	96.6	93.8	82.8	83.2	87.3	89.5
Fluid milk	98.8	100.8	89.5	97.7	100.1	99.5	97.9	96.9	93.9	91.0
Oilseeds	123.8	112.1	106.4	104.3	104.9	105.1	101.2	104.0	107.1	108.9
Tobacco, leaf	93 8	95.8	101.1	102.2	96.3	106.1	105.5	106.1	106.1	104 8
Sugar, raw cane	115.5	119.2	113.7	112.6	111.7	112.7	113.6	112.7	111.0	109.3

1/ Commodities ready for sale to ultimate consumer. 2/ Includes all raw, intermediate, & processed foods (excludes soft drinks, alcoholic beverages, & manufactured animal feeds). 3/ New index beginning Dec. 1991. 4/ Commodities requiring further processing to become finished goods. 5/ All types & sizes of refined sugar. 6/ Products entering market for the first time that have not been manufactured at that point. 7/ Fresh & dried. R = revised.

Information contact: Ann Duncan (202) 219-0313.

Farm-Retail Price Spreads

Table 8.—Farm-Retail Price Spreads

	Annual			1992						1993
	1990	1991	1992	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Market basket 1/										
Retail cost (1982–84=100)	133.5	137.4	138.4	137.8	138.4	139.1	138.9	138.9	139.5	141.0
Farm value (1982–84=100)	113.1	106.1	103.4	100 5	104.5	104.1	104.5	103.5	103.6	104.3
Farm–retail spread (1982–84=100)	144.5	154.2	157.3	157.9	156.6	157.9	157.5	158.0	158.9	160.7
Farm value–retail cost (%)	29.7	27.0	26.2	25.5	26.4	26.2	26.3	26.1	26.0	25.9
Meat products										
Retail cost (1982–84=100)	128.5	132.5	130.7	130.0	130.6	130.9	131.1	131 2	131.1	132.3
Farm value (1982–84=100)	116.8	110.0	104.5	97.0	104.7	104.8	104.2	103.5	105.5	107.1
Farm–retail spread (1982–84=100)	140.4	155.6	157.5	163.9	157.1	157.7	158.7	159 6	157.4	158.2
Farm value–retail cost (%)	46.0	42.0	40.5	37.8	40.6	40.6	40.3	40.0	40.8	41.0
Dairy products										
Retail cost (1982–84=100)	126.5	125.1	128.5	128.2	129.2	129.7	130.1	129.4	129.1	129.5
Farm value (1982–84=100)	101.7	90.0	95.9	98.7	99.1	98.6	97.4	95.0	94.5	92.6
Farm–retail spread (1982–84=100)	149.5	157.5	158.6	155.4	157.0	158.3	160.2	161.1	161.0	163.5
Farm value–retail cost (%)	38 5	34 5	35.8	36.9	36.8	36.5	35.9	35.2	35.1	34.3
Poultry										
Retail cost (1982–84=100)	132 5	131.5	131.4	131.2	133 7	134.0	133.3	133.6	133.7	134.6
Farm value (1982–84=100)	107.6	102.5	104.0	99 4	112.1	104.1	107.9	108.8	103.8	103.8
Farm–retail spread (1982–84=100)	161.1	164.9	163.0	167.8	158.5	168.4	162.6	162.1	166.1	170.1
Farm value–retail cost (%)	43.5	41.7	42.4	40.5	44 9	41.6	43.3	43.6	41.6	41.3
Eggs										
Retail cost (1982–84=100)	124.1	121 2	108 3	113.9	102.2	111.6	109.3	113.4	117.7	116.2
Farm value (1982–84=100)	108.0	100.9	77.8	83.5	70.7	84.1	78.2	94.7	95.4	95 4
Farm–retail spread (1982–84=100)	153 2	157.6	163 2	168.5	158 9	161.1	165.2	147.0	157.8	153.6
Farm value–retail cost (%)	55.9	53.5	46.1	47.1	44.4	48.4	46.0	53.7	52.1	52.7
Cereal & bakery products										
Retail cost (1982–84=100)	140.0	145.8	151.5	148.9	153.1	152.6	152.8	152.7	153.3	153.4
Farm value (1982–84=100)	90.5	85.3	94 7	97.6	87.7	89 9	89.7	90.8	91.2	92.5
Farm–retail spread (1982–84=100)	146.9	154.3	159.4	156.1	162.2	161.3	161.6	161.3	162 0	161.9
Farm value–retail cost (%)	7.9	7.2	7.7	8.0	7.0	7.2	7.2	7.3	7.3	7.4
Fresh fruits										
Retail cost (1982–84=100)	174.6	200.1	189.6	196.7	183.7	195 3	188.0	188.3	189.6	199.0
Farm value (1982–84=100)	128.3	174.4	122.5	131.9	119.7	127.6	114.7	122.1	127.1	129.0
Farm–retail spread (1982–84=100)	195.9	211.9	220.6	226.6	213.2	226.6	221.8	218.9	218 4	231 3
Farm value–retail cost (%)	23.2	27.5	20.4	21.2	20.6	20.6	19.3	20.5	21.2	20.5
Fresh vegetables										
Retail costs (1982–84=100)	151.1	154.4	157.9	152.7	153.8	152.8	155.2	158.4	166.1	172.4
Farm value (1982–84=100)	124.4	110.8	121.6	103.8	128.5	117.5	141.0	115.0	124.0	131.7
Farm–retail spread (1982–84=100)	164.9	176 8	176.6	177.8	166.8	170.9	162.5	180.7	187.7	193.3
Farm value–retail cost (%)	28.0	24 4	26.1	23.1	28.4	26.1	30 8	24.7	25.4	25.9
Processed fruits & vegetables										
Retail cost (1982–84=100)	132.7	130 2	133.7	132.9	134.6	134.0	133.1	132 0	131.4	131.6
Farm value (1982–84=100)	144.0	120.6	129.0	132.4	129.9	128.9	128.3	125.9	111.2	110.9
Farm–retail spread (1982–84=100)	129.1	133.2	135.2	133 1	136.1	135.6	134.6	133.9	137.7	138.1
Farm value–retail costs (%)	25.8	22.0	22 9	23.7	22.9	22.9	22.9	22.7	20.1	20.0
Fats & oils										
Retail cost (1982–84=100)	126.3	131.7	129.8	130.7	129.5	129.9	129.9	128.5	128.4	130.2
Farm value (1982–84=100)	107.1	98.0	93.2	90.7	88.7	89.1	90.0	98.4	98.2	102.0
Farm–retail spread (1982–84=100)	133.4	144.2	143.3	145.4	144.5	144.9	144.6	139.6	139.5	140.6
Farm value–retail cost (%)	22 8	20.0	19.3	18.7	18.4	18.4	18.6	20.6	20.6	21.1

	Annual			1992					1993	
	1990	1991	1992	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Beef, Choice										
Retail price 2/ (cts./lb.)	281.0	288.3	284.6	282.5	284.1	285.6	287.1	287.3	288.4	292.5
Wholesale value 3/ (cts.)	189.6	182 5	179.6	184.6	175.9	177.5	177.1	184.2	188.5	187.8
Net farm value 4/ (cts.)	168.4	160.2	161.8	165.7	159.6	160.1	159.5	165.1	170.2	172.7
Farm–retail spread (cts.)	112.6	128.1	122.8	116.8	124.5	125.5	127.6	122.2	118.2	119.8
Wholesale–retail 5/ (cts.)	91.4	105 8	105.0	97.9	108.2	108.1	110.0	103.1	99.9	104.7
Farm–wholesale 6/ (cts.)	21.2	22.3	17.8	18.9	16.3	17.4	17.6	19.1	18.3	15.1
Farm value–retail price (%)	60	56	57	59	56	56	56	57	59	59
Pork										
Retail price 2/ (cts./lb.)	212.6	211.9	198.0	199.8	199.6	198 4	196.4	196.3	196.0	193.9
Wholesale value 3/ (cts.)	118.3	108.9	98.9	99.3	99.6	98.8	96.9	98.8	95.0	99.0
Net farm value 4/ (cts.)	87.2	78.4	67.8	64.9	67.4	67.1	66.0	66.6	66.0	70.8
Farm–retail spread (cts.)	125.4	133.5	130.2	134.9	132.2	131.3	130.4	129.7	130.0	123 1
Wholesale–retail 5/ (cts.)	94.3	103.0	99.1	100.5	100.0	99.6	99.5	97.5	101.0	94.9
Farm–wholesale 6/ (cts.)	31.1	30 5	31.1	34.4	32 2	31.7	30.9	32 2	29.0	28 2
Farm value–retail price (%)	41	37	34	32	34	34	34	34	34	37

1/ Retail costs are based on CPI–U of retail prices for domestically produced farm foods, published monthly by BLS. The farm value is the payment for the quantity of farm equivalent to the retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale & may include marketing charges such as grading & packing for some commodities. The farm–retail spread, the difference between the retail price & the farm value, represents charges for assembling, processing, transporting, distributing. 2/ Weighted average price of retail cuts from pork & choice yield grade 3 beef. Prices from BLS. 3/ Value of wholesale (boxed beef) & wholesale cuts (pork) equivalent to 1 lb. of retail cuts adjusted for transportation costs & byproduct values. 4/ Market value to producer for live animal equivalent to 1 lb. of retail cuts, minus value of byproducts. 5/ Charges for retailing & other marketing services such as wholesaling, & in–city transportation. 6/ Charges for livestock marketing, processing, & transportation.

Information contacts: Denis Dunham (202) 219–0870, Larry Duewer (202) 219–0712.

Table 9.—Price Indexes of Food Marketing Costs

(See the March 1993 issue.)
Information contact: Denis Dunham (202) 219-0870.

Livestock & Products

Table 10.—U.S. Meat Supply & Use

	Beg. stocks	Production 1/	Imports	Total supply	Exports	Ending stocks	Consumption: Total	Consumption: Per capita 2/	Primary market price 3/
	Million pounds 4/							Pounds	
Beef									
1990	335	22,743	2,356	25,434	1,006	397	24,031	67.8	78.55
1991	397	22,917	2,406	25,720	1,188	419	24,113	66.8	74.28
1992	419	23,075	2,440	25,934	1,324	360	24,250	66.5	75.36
1993 F	360	23,367	2,335	26,062	1,380	350	24,332	66.0	72–78
Pork									
1990	313	15,354	998	16,565	238	296	16,030	49.8	55.32
1991	296	15,999	775	17,070	283	393	16,394	50.3	49.69
1992	393	17,231	645	18,269	407	385	17,477	53.1	43.03
1993 F	385	17,801	665	18,851	450	375	18,026	54.2	39–45
Veal 5/									
1990	4	327	0	331	0	6	325	1.1	96.51
1991	6	306	0	312	0	7	305	1.0	99.94
1992	7	309	0	316	0	5	311	1.0	89.38
1993 F	5	307	0	312	0	4	308	1.0	86–92
Lamb & mutton									
1990	8	363	59	430	3	8	419	1.5	55.54
1991	8	363	60	431	3	6	422	1.5	53.21
1992	6	348	66	420	3	8	409	1.4	61.00
1993 F	8	345	60	413	2	9	402	1.4	58–64
Total red meat									
1990	660	38,787	3,313	42,760	1,247	707	40,806	120.1	—
1991	707	39,585	3,241	43,533	1,474	825	41,234	119.6	—
1992	825	40,963	3,151	44,939	1,734	758	42,447	122.0	—
1993 F	758	41,804	3,060	45,622	1,832	738	43,052	122.5	—
Broilers									
1990	38	18,430	0	18,468	1,143	26	17,299	61.1	54.8
1991	26	19,591	0	19,617	1,261	36	18,320	63.9	52.0
1992	36	20,897	0	20,933	1,489	33	19,411	67.0	52.6
1993 F	33	21,639	0	21,672	1,560	33	20,079	68.6	50–56
Mature chicken									
1990	169	523	0	713	25	224	464	1.9	—
1991	224	508	0	732	28	274	429	1.7	—
1992	274	519	0	793	41	345	407	1.6	—
1992 F	345	522	0	867	35	300	532	2.1	—
Turkeys									
1990	236	4,514	0	4,750	54	306	4,390	17.6	63.2
1991	306	4,603	0	4,909	103	264	4,541	18.4	63.2
1991	306	4,830	0	5,136	103	264	4,768	18.9	61.3
1992 F	264	4,986	0	5,250	120	260	4,870	19.1	59–63
Total poultry									
1989	442	22,278	0	22,720	878	463	21,376	86.4	—
1990	463	23,962	0	24,445	1,222	557	22,666	90.7	—
1991	557	25,250	0	25,870	1,392	575	23,840	94.4	—
1992 F	575	26,447	0	27,022	1,358	545	25,119	98.7	—
Red meat & poultry									
1989	1,312	61,880	3,138	66,330	2,165	1,123	63,042	210.4	—
1990	1,123	62,769	3,313	67,205	2,469	1,264	63,472	210.7	—
1991	1,264	64,835	3,241	69,340	2,867	1,400	65,074	214.6	—
1992 F	1,400	67,476	3,215	72,091	3,011	1,274	67,806	222.4	—

1/ Total including farm production for red meats & federally inspected plus nonfederally inspected for poultry. 2/ Retail weight basis. (The beef carcass-to-retail conversion factor was 70.5). 3/ Dollars per cwt for red meat; cents per pound for poultry. Beef: Medium # 1, Nebraska Direct 1,100–1,300 lb.; pork: barrows & gilts, 6 markets; veal: farm price of calves; lamb & mutton: Choice slaughter lambs, San Angelo; broilers: wholesale 12-city average; turkeys: wholesale NY 8–16 lb. young hens. 4/ Carcass weight for red meats & certified ready-to-cook for poultry. 5/ Beginning 1989 veal trade no longer reported separately. F = forecast. -- = not available.

Information contacts: Polly Cochran, or Maxine Davis (202) 219-0767.

Table 11.—U.S. Egg Supply & Use

	Beg. stocks	Pro-duc-tion	Im-ports	Total supply	Ex-ports	Hatch-ing use	Ending stocks	Consumption		Wholesale price*
								Total	Per capita	
	Million dozen								No.	Cts./doz.
1988	14.4	5,784.2	5.3	5,803.9	141.8	605.9	15.2	5,041.0	246.9	62 1
1989	15.2	5,598.2	25.2	5,638.5	91.6	643.9	10.7	4,892.4	237.3	81.9
1990	10.7	5,665.6	9.1	5,685.3	100.5	678.5	11.6	4,894 7	235.0	82 2
1991	11.6	5,779.3	2.3	5,793.3	154.3	708.1	13.0	4,917.9	233.5	77.5
1992	13 0	5,881.8	4.3	5,899.0	157.0	726.6	13.5	5,001.9	235.0	85.4
1993 F	13.5	5,905.0	4.0	5,922.5	160.0	750.0	12.0	5,000.5	232.5	70–76

* Cartoned grade A large eggs, New York. F = forecast.

Information contact: Maxine Davis (202) 219–0767.

Table 12.—U.S. Milk Supply & Use[1/]

	Produc-tion	Farm use	Commercial		Im-ports	Total commer-cial supply	CCC net re-movals	Commercial		All milk price 1/	CCC net removals	
			Farm market-ings	Beg. stock				Ending stocks	Disap-pear-ance		Skim solids basis	Total solids basis 2/
	Billion pounds (milkfat basis)									$/cwt	Billion pounds	
1985	143.0	2.5	140.6	4.8	2.8	148.2	13.3	4.5	130.4	12.76	17.2	15.6
1986	143.1	2.4	140.7	4.5	2.7	147.9	10.8	4.1	133.0	12.51	14.3	12.9
1987	142.7	2.3	140.5	4.1	2.5	147.1	6 8	4.6	135.7	12 54	9.3	8.3
1988	145.2	2.2	142 9	4 6	2.4	149.9	9.1	4.3	136.5	12.26	5.5	6.9
1989	144.2	2.1	142.2	4.3	2.5	149.0	9.4	4.1	135.4	13 56	0.4	4.0
1990	148.3	2.0	146.3	4.1	2.7	153.1	9.0	5.1	138.9	13.88	1.6	4.6
1991	148.5	2.0	146.5	5.1	2.6	154.3	10.4	4.5	139.4	12.24	3.9	6.5
1992	151.7	2.0	149.7	4.5	2.5	156.7	10.0	4.7	142.0	13 10	1.7	5.0
1993 F	151.5	2.0	149.5	4.7	2.6	156.8	7.4	4.5	144.9	12.50	3.0	4.8

1/ Delivered to plants & dealers; does not reflect deductions. 2/ Arbitrarily weighted average of milkfat basis (40 percent) & skim solids basis (60 percent). F = forecast.

Information contact: Jim Miller (202) 219–0770.

Table 13.—Poultry & Eggs

	Annual			1992						1993
	1990	1991	1992	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Broilers										
Federally inspected slaughter, certified (mil. lb.)	18,553 9	19,727.7	21,043.0	1,778.1	1,783.3	1,803.5	1,834 0	1,595.0	1,816.6	1,803.1
Wholesale price, 12-city (cts./lb.)	64.8	52.0	52 6	50.1	56.1	51 3	53.7	55.0	51 2	52.1
Price of grower feed ($/ton)	218	208	208	207	210	212	206	201	202	203
Broiler–feed price ratio 1/	3.0	3.0	3.1	2.9	3.3	3.0	3.2	3.3	3.1	3.1
Stocks beginning of period (mil. lb.)	38.3	26.1	36.1	36.1	35.1	36.0	31.1	28.8	29.0	32 8
Broiler–type chicks hatched (mil.) 2/	6,324.4	6,613 3	6,813.3	575.2	573.0	554.5	546 2	524.5	597.1	587 9
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	4,560.7	4,651.9	4,827.6	362.9	411.9	431.3	467.6	423.0	393.1	354.1
Wholesale price, Eastern U.S., 8–16 lb. young hens (cts./lb.)	63.2	61 2	59.9	54.7	57.8	61.0	63 9	65.6	65.1	58.1
Price of turkey grower feed ($/ton)	238	230	242	241	245	247	241	244	245	239
Turkey–feed price ratio 1/	3.2	3.3	3.1	3.1	3.1	3.0	3 2	3.2	3 2	3.0
Stocks beginning of period (mil. lb.)	235.9	306.4	264.1	264.1	862.1	684.2	734.4	714.7	320.5	276.6
Poults placed in U.S. (mil.)	304.9	308.1	309.2	25.7	25.5	21.6	21.9	22.1	24.1	24.7
Eggs										
Farm production (mil.)	67,987	69,352	70,581	5,952	5,914	5,748	6,010	5,904	6,088	5,986
Average number of layers (mil.)	270	275	278	280	274	276	279	281	281	282
Rate of lay (eggs per layer on farms)	251.7	252.4	253.9	21.3	21.6	20.8	21.5	21.0	21.7	21.3
Cartoned price, New York, grade A large (cts./doz.) 3/	82.2	77.5	65.4	66.6	64.6	70.5	65.3	75 3	73.6	71.7
Price of laying feed ($/ton)	200	192	199	201	202	202	196	197	195	199
Egg–feed price ratio 1/	7.0	6.8	5.7	5.8	5.3	5.9	5.8	6.6	6.6	6.4
Stocks, first of month										
Shell (mil. doz.)	0.36	0.45	0.63	0.63	0.87	0.69	0.66	0.51	0.45	0.45
Frozen (mil. doz.)	10.3	11.2	12.3	12.3	14.8	15.3	15.2	16.5	14.2	13.0
Replacement chicks hatched (mil.)	398	417	385	32.5	28.2	27.9	31.9	26.5	29.5	33.4

1/ Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight. 2/ Placement of broiler chicks is currently reported for 15 States only; henceforth, hatch of broiler–type chicks will be used as a substitute. 3/ Price of cartoned eggs to volume buyers for delivery to retailers.

Information contact: Maxine Davis (202) 219–0767.

Table 14.—Dairy

	Annual			1992						1993
	1990	1991	1992	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Milk prices, Minnesota–Wisconsin, 3.5% fat ($/cwt) 1/	12.21	11.05	11.88	11.71	12.54	12.28	12.05	11.84	11.34	10.89
Wholesale prices										
Butter, grade A Chi. (cts./lb.)	102.1	99.3	82.5	94.9	76.6	81.7	82.2	80.7	78.6	75.2
Am. cheese, Wis. assembly pt. (cts./lb.)	136.7	124.4	131.9	125.3	142.0	136.9	132.4	129.4	123.2	119.3
Nonfat dry milk (cts./lb.) 2/	100.6	94.0	107.1	95.3	111.6	105.1	108.0	109.1	109.2	111.0
USDA net removals 3/										
Total milk equiv. (mil. lb.) 4/	9,017.2	10,425.0	10,011.6	2,165.5	396.1	262.6	351.0	315.6	561.1	1,686.0
Butter (mil. lb.)	400.3	442.8	440.5	96.3	17.2	9.5	14.2	12.5	24.5	75.4
Am. cheese (mil. lb.)	21.5	76.9	13.8	7.0	0.8	0.3	0.9	0.9	0.9	1.9
Nonfat dry milk (mil. lb.)	117.8	269.5	176.4	6.8	15.0	11.0	19.2	37.5	39.0	36.2
Milk										
Milk prod. 21 States (mil. lb.)	125,772	125,671	128,300	10,715	10,673	10,263	10,532	10,184	10,659	10,804
Milk per cow (lb.)	14,778	14,977	15,546	1,291	1,295	1,246	1,278	1,237	1,292	1,315
Number of milk cows (1,000)	8,512	8,391	8,253	8,298	8,243	8,237	8,238	8,235	8,247	8,219
U.S. milk production (mil. lb.)	148,314	148,477	151,747	7/ 12,681	7/ 12,613	7/ 12,076	7/ 12,465	7/ 12,072	7/ 12,629	7/ 12,812
Stock, beginning										
Total (mil. lb.)	9,036	13,359	15,841	15,841	21,477	20,253	17,921	16,038	14,826	14,215
Commercial (mil. lb.)	4,120	5,146	4,461	4,461	5,290	5,162	4,976	4,752	4,603	4,688
Government (mil. lb.)	4,916	8,213	11,379	11,379	16,187	15,092	12,945	11,286	10,223	9,528
Imports, total (mil. lb.)	2,690	2,625	2,520	160	170	196	226	263	323	—
Commercial disappearance (mil. lb.)	138,922	139,336	141,997	10,267	12,343	12,028	12,392	12,001	12,134	—
Butter										
Production (mil. lb.)	1,302.2	1,336.3	1,344.5	156.0	84.8	90.0	100.4	98.3	115.1	144.4
Stocks, beginning (mil. lb.)	256.2	416.1	539.4	539.4	755.8	705.7	608.5	541.7	487.6	447.7
Commercial disappearance (mil. lb.)	915.2	903.0	922.6	63.0	70.1	82.9	88.2	89.1	92.6	—
American cheese										
Production (mil. lb.)	2,894.2	2,804.9	2,938.7	245.5	242.4	222.9	240.2	233.1	251.2	247.8
Stocks, beginning (mil. lb.)	236.2	347.4	318.7	318.7	369.2	364.8	350.5	328.9	324.8	346.7
Commercial disappearance (mil. lb.)	2,784.4	2,792.7	2,905.4	215.2	244.9	233.5	259.3	244.0	231.0	—
Other cheese										
Production (mil. lb.)	3,167.0	3,285.9	3,518.8	268.5	293.5	297.1	321.5	314.4	307.7	261.3
Stocks, beginning (mil. lb.)	93.2	110.6	97.5	97.5	127.1	123.9	121.1	121.7	121.9	120.9
Commercial disappearance (mil. lb.)	3,426.4	3,575.2	3,762.1	277.0	316.3	321.2	345.8	343.1	345.5	—
Nonfat dry milk										
Production (mil. lb.)	879.2	877.5	873.0	80.2	59.2	52.8	53.6	56.6	80.9	76.5
Stocks, beginning (mil. lb.)	49.5	161.9	214.8	214.8	148.7	138.1	112.0	90.8	87.6	81.2
Commercial disappearance (mil. lb.)	697.8	662.7	681.7	73.8	43.2	59.8	48.1	21.1	45.0	—
Frozen dessert										
Production (mil. gal.) 5/	1,174.6	1,196.1	1,238.2	83.3	117.7	105.2	92.0	79.7	80.4	73.4

	Annual			1991			1992			
	1990	1991	1992	II	III	IV	I	II	III	IV
Milk production (mil. lb.)	148,314	148,477	151,747	38,586	36,232	36,270	37,989	39,077	37,515	37,166
Milk per cow (lb.)	14,642	14,860	15,423	3,859	3,643	3,655	3,852	3,971	3,818	3,782
No. of milk cows (1,000)	10,127	9,992	9,839	10,000	9,944	9,923	9,863	9,841	9,826	9,827
Milk-feed price ratio 6/	1.71	1.58	1.69	1.46	1.59	1.77	1.68	1.65	1.75	1.69
Returns over concentrate costs ($/cwt milk) 6/	10.17	8.95	9.74	8.05	9.25	10.45	9.60	9.50	10.10	9.75

1/ Manufacturing grade milk. 2/ Prices paid f.o.b. Central States production area. 3/ Includes products exported through the Dairy Export Incentive Program (DEIP). 4/ Milk equivalent, fat basis. 5/ Hard ice cream, ice milk, & hard sherbet. 6/ Based on average milk price after adjustment for price support deductions. 7/ Estimated. - - = not available.

Information contact: LaVerne T. Williams (202) 219–0770

Table 15.—Wool

	Annual			1991		1992			
	1990	1991	1992	III	IV	I	II	III	IV
U.S. wool price, (cts./lb.) 1/	256	199	204	217	182	209	222	210	176
Imported wool price, (cts./lb.) 2/	287	187	210	194	222	250	233	203	189
U.S. mill consumption, scoured									
Apparel wool (1,000 lb.)	120,622	137,187	139,715	34,578	33,916	36,929	36,045	34,462	32,279
Carpet wool (1,000 lb.)	12,124	14,352	14,726	4,561	3,588	4,580	3,523	3,145	3,378

1/ Wool price delivered at U.S. mills, clean basis. Graded Territory 64's (20.60–22.04 microns) staple 2-3/4" & up. 2/ Wool price, Charleston, SC warehouse, clean basis. Australian 60/62's, type 64A (24 micron). Duty since 1982 has been 10.0 cents. — = not available.

Information contact: John Lawler (202) 219–0840.

Table 16.—Meat Animals

	Annual			1992						1993
	1990	1991	1992	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Cattle on feed (7 States)										
Number on feed (1,000 head) 1/	8,378	8,992	8,397	8,397	7,000	6,968	7,495	8,584	8,894	9,073
Placed on feed (1,000 head)	21,030	19,704	20,498	1,565	1,641	2,179	2,658	1,843	1,694	1,611
Marketings (1,000 head)	19,198	19,066	18,623	1,660	1,592	1,586	1,493	1,442	1,414	1,489
Other disappearance (1,000 head)	1,218	1,233	1,199	99	81	66	76	91	101	130
Beef steer–corn price ratio, Omaha 2/	32.8	31.6	33.3	29.9	34.7	35.1	37.4	38.0	38.8	39.6
Hog–corn price ratio, Omaha 2/	23.1	21.1	19.0	15.7	21.3	20.3	21.3	21.0	21.2	20.7
Market prices ($/cwt)										
Slaughter cattle										
Choice steers, Omaha 1,000–1,100 lb.	77.40	73.83	74.65	71.20	73.08	73.68	74.13	74.41	76.58	79.15
Choice steers, Neb. Direct, 1,100–1,300 lb.	78.56	74.28	75.36	72.55	73.96	74.44	75.12	75.11	77.34	79.01
Boning utility cows, Sioux Falls	53.60	50.31	44.84	43.53	46.13	46.43	45.69	42.09	44.71	46.50
Feeder cattle										
Medium no. 1, Oklahoma City 600–700 lb.	92.15	92.74	85.57	82.41	88.18	87.48	85.23	85.90	86.67	89.92
Slaughter hogs										
Barrows & gilts, Iowa, S. Minn.	55.32	49.69	43.05	37.94	45.27	42.68	42.69	42.93	42.73	42.18
Feeder pigs										
S. Mo. 40–50 lb. (per head)	51.46	39.84	31.71	27.18	31.26	31.18	32.44	30.69	29.78	34.63
Slaughter sheep & lambs										
Lambs, Choice, San Angelo	55.54	53.21	61.00	58.58	52.38	53.61	52.81	56.93	67.25	69.88
Ewes, Good, San Angelo	35.21	31.98	35.39	38.88	35.38	32.39	29.56	32.92	40.75	39.94
Feeder lambs										
Choice, San Angelo	62.95	53.54	62.09	62.00	53.69	55.43	52.94	58.75	71.13	73.63
Wholesale meat prices, Midwest										
Boxed beef cut–out value	123.21	118.31	116.73	114.38	114.36	114.40	115.51	115.26	119.95	122.69
Canner & cutter cow beef	99.96	99.42	93.85	92.89	96.74	93.23	90.85	88.13	95.31	96.58
Pork loins, 14–18 lb. 3/	117.52	108.39	101.41	96.89	111.18	102.98	96.98	89.64	96.22	98.22
Pork bellies, 12–14 lb.	53.80	47.79	30.39	28.05	35.13	29.09	29.13	30.48	28.80	31.97
Hams, skinned, 17–20 lb.	84.87	75.68	67.42	53.88	68.34	73.70	78.58	82.45	72.67	61.98
All fresh beef retail price 4/	262.48	271.05	266.87	266.61	264.23	266.37	267.75	267.14	266.95	270.43
Commercial slaughter (1,000 head) 5/										
Cattle	33,241	32,690	32,863	2,929	2,782	2,809	2,863	2,558	2,703	2,669
Steers	16,587	16,728	17,135	1,450	1,494	1,458	1,433	1,270	1,383	1,334
Heifers	10,090	9,725	9,236	878	802	808	802	706	710	753
Cows	5,920	5,623	5,839	551	427	482	564	531	560	533
Bulls & stags	644	614	653	49	59	61	64	51	50	49
Calves	1,789	1,436	1,371	131	110	110	115	113	124	104
Sheep & lambs	5,654	5,722	5,493	484	418	489	470	428	478	393
Hogs	85,136	88,169	94,862	8,346	7,682	8,414	8,791	7,983	8,360	7,832
Commercial production (mil. lb.)										
Beef	22,634	22,800	22,958	2,039	1,980	1,995	2,014	1,783	1,855	1,823
Veal	316	296	300	28	24	23	24	23	26	22
Lamb & mutton	358	358	344	31	25	30	29	27	29	25
Pork	15,300	15,948	17,180	1,525	1,378	1,510	1,588	1,454	1,524	1,435

	Annual			1991		1992				1993
	1990	1991	1992	III	IV	I	II	III	IV	I
Cattle on feed (13 States)										
Number on feed (1,000 head) 1/	9,943	10,827	10,135	9,461	8,620	10,135	9,693	8,847	8,920	10,884
Placed on feed (1,000 head)	24,803	23,208	24,246	5,414	7,086	5,403	5,273	6,107	7,463	—
Marketings (1,000 head)	22,526	22,383	22,061	5,973	5,262	5,441	5,675	5,766	5,179	* 5,610
Other disappearance (1,000 head)	1,393	1,517	1,436	282	309	404	444	268	320	—
Hogs & pigs (10 States) 6/										
Inventory (1,000 head) 1/	42,200	45,735	47,940	44,540	47,080	45,735	44,800	47,255	49,175	47,940
Breeding (1,000 head) 1/	5,275	5,610	5,800	5,725	5,680	5,610	5,555	5,845	5,840	5,800
Market (1,000 head) 1/	36,925	40,125	42,140	38,815	41,400	40,125	39,245	39,245	43,335	42,140
Farrowings (1,000 head)	8,960	9,516	9,938	2,449	2,348	2,296	2,663	2,521	2,458	* 2,405
Pig crop (1,000 head)	70,589	75,330	80,490	19,345	18,551	18,532	21,570	20,559	19,829	—

1/ Beginning of period. 2/ Bushels of corn equal in value to 100 pounds live weight. 3/ Prior to 1984, 8–14 lb.; 1984 & 1985, 14–17 lb; beginning 1986, 14–18 lb. 4/ New series estimating the composite price of all beef grades & ground beef sold by retail stores. This new series is in addition to, but does not replace, the series for the retail price of Choice beef that appears in table 8. 5/ Classes estimated. 6/ Quarters are Dec. of preceding year–Feb. (I), Mar.–May (II), June–Aug. (III), & Sept.–Nov. (IV). May not add to NASS totals due to rounding. — = not available. * Intentions.

Information contact: Polly Cochran (202) 219–0767.

Crops & Products

Table 17.—Supply & Utilization[1,2]

	Area											
	Set aside 3/	Planted	Harvested	Yield	Production	Total supply 4/	Feed and residual	Other domestic use	Exports	Total use	Ending stocks	Farm price 5/
	Mil. acres			Bu./acre				Mil. bu.				$/bu.
Wheat												
1987/88	23.9	65.8	55.9	37.7	2,108	3,945	290	806	1,588	2,684	1,261	2.57
1988/89	22.4	65.5	53.2	34.1	1,812	3,096	150	829	1,415	2,394	702	3.72
1989/90	9.6	76.6	62.2	32.7	2,037	2,762	144	849	1,232	2,225	536	3.72
1990/91*	7.5	77.2	69.3	39.5	2,736	3,309	499	875	1,068	2,443	866	2.61
1991/92*	15.9	69.9	57.7	34.3	1,981	2,888	257	879	1,281	2,416	472	3.00
1992/93*	7.0	72.3	62.4	39.4	2,459	2,996	225	905	1,325	2,455	541	3.20–3.30
	Mil. acres			Lb./acre				Mil. cwt (rough equiv.)				$/cwt
Rice												
1987/88	1.57	2.36	2.33	5,555	129.6	184.0	—	6/ 80.4	72.2	152.6	31.4	7.27
1988/89	1.09	2.93	2.90	5,514	159.9	195.1	—	6/ 82.4	85.9	168.4	26.7	6.83
1989/90	1.18	2.73	2.69	5,749	154.5	185.6	—	6/ 82.1	77.2	159.3	26.4	7.35
1990/91*	1.02	2.90	2.82	5,529	156.1	187.2	—	6/ 91.7	70.9	162.7	24.6	6.70
1991/92*	0.9	2.88	2.78	5,674	157.5	187.3	—	6/ 93.7	66.4	160.1	27.3	7.58
1992/93*	0.4	3.17	3.13	5,722	178.1	212.1	—	6/ 97.6	76.0	173.6	38.5	6.05–6.35
	Mil. acres			Bu./acre				Mil. bu				$/bu.
Corn												
1987/88	23.1	66.2	58.5	119.8	7,131	12,016	4,798	1,243	1,716	7,757	4,259	1.94
1988/89	20.5	67.7	58.3	84.6	4,929	9,191	3,941	1,293	2,026	7,260	1,930	2.54
1989/90	10.8	72.2	64.7	116.3	7,525	9,458	4,389	1,356	2,368	8,113	1,344	2.36
1990/91*	10.7	74.2	67.0	118.5	7,934	9,282	4,869	1,387	1,725	7,761	1,521	2.28
1991/92*	7.4	76.0	68.8	108.6	7,475	9,016	4,898	1,434	1,584	7,916	1,100	2.37
1992/93*	5.3	79.3	72.1	131.4	9,478	10,582	5,200	1,495	1,650	8,345	2,237	1.95–2.15
	Mil. acres			Bu./acre				Mil. bu.				$/bu.
Sorghum												
1987/88	4.1	11.8	10.5	69.4	731	1,474	555	25	232	811	663	1.70
1988/89	3.9	10.3	9.0	63.8	577	1,239	466	23	311	800	440	2.27
1989/90	3.3	12.6	11.1	55.4	615	1,055	517	15	303	835	220	2.10
1990/91*	3.3	10.5	8.1	63.1	573	793	410	9	232	651	143	2.12
1991/92*	2.5	11.1	9.9	59.3	585	727	373	9	292	674	53	2.25
1992/93*	1.9	13.3	12.2	72.8	884	937	500	10	300	810	127	1.80–2.00
	Mil. acres			Bu./acre				Mil. bu				$/bu.
Barley												
1987/88	2.9	10.9	10.0	52.4	521	869	253	174	121	548	321	1.81
1988/89	2.8	9.8	7.8	38.0	290	622	171	175	79	425	196	2.80
1989/90	2.3	9.1	8.3	48.6	404	614	193	175	84	453	161	2.42
1990/91*	2.9	8.2	7.5	56.1	422	596	205	178	81	461	135	2.14
1991/92*	2.2	8.9	8.4	55.2	464	624	230	171	84	486	129	2.10
1992/93*	2.1	7.8	7.3	62.4	456	600	195	165	80	440	160	2.00–2.05
	Mil. acres			Bu./acre				Mil. bu.				$/bu.
Oats												
1987/88	0.8	17.8	6.9	54.3	374	552	358	82	1	440	112	1.56
1988/89	0.3	13.9	5.5	39.3	218	392	194	100	1	294	98	2.61
1989/90	0.4	12.1	6.9	54.3	374	538	266	115	1	381	157	1.49
1990/91*	0.2	10.4	5.9	60.1	358	678	286	120	1	407	171	1.14
1991/92*	0.6	8.7	4.8	50.7	243	489	235	125	2	362	128	1.20
1992/93*	0.7	8.0	4.5	65.6	295	472	230	125	5	360	112	1.30–1.35
	Mil. acres			Bu./acre				Mil. bu.				$/bu.
Soybeans												
1987/88	0	58.2	57.2	33.9	1,938	2,375	7/ 97	1,174	802	2,073	302	5.88
1988/89	0	58.8	57.4	27.0	1,549	1,855	7/ 88	1,058	527	1,673	182	7.42
1989/90	0	60.8	59.5	32.3	1,924	2,109	7/ 101	1,146	623	1,870	239	5.69
1990/91*	0	57.6	56.5	34.1	1,926	2,168	7/ 95	1,187	557	1,839	329	5.74
1991/92*	0	59.2	58.0	34.2	1,987	2,319	7/ 102	1,254	685	2,041	278	5.58
1992/93*	0	59.3	58.4	37.6	2,197	2,477	7/ 112	1,265	760	2,137	340	5.40–5.55
	—	—	—	—				Mil. lbs.				8/ Cts./lb.
Soybean oil												
1987/88	—	—	—	—	12,974	14,895	—	10,930	1,873	12,803	2,092	22.67
1988/89	—	—	—	—	11,737	13,967	—	10,581	1,661	12,252	1,715	21.10
1989/90	—	—	—	—	13,004	14,741	—	12,083	1,353	13,436	1,305	22.30
1990/91*	—	—	—	—	13,408	14,730	—	12,164	780	12,944	1,786	21.00
1991/92*	—	—	—	—	14,345	16,132	—	12,245	1,648	13,893	2,239	19.10
1992/93*	—	—	—	—	13,684	15,925	—	12,675	1,625	14,300	1,625	20.0–22.0
	—	—	—	—				1,000 tons				9/ $/ton
Soybean meal												
1987/88	—	—	—	—	28,060	28,300	—	21,293	6,854	28,147	153	239
1988/89	—	—	—	—	24,943	25,100	—	19,657	5,270	24,927	173	252
1989/90	—	—	—	—	27,718	27,900	—	22,263	5,319	27,582	318	186
1990/91*	—	—	—	—	28,325	28,688	—	22,934	5,469	28,403	285	181
1991/92*	—	—	—	—	29,831	30,183	—	23,103	6,850	29,953	230	189
1992/93*	—	—	—	—	30,045	30,325	—	23,950	6,075	30,025	300	170–190

See footnotes at end of table.

Table 17.—Supply & Utilization, continued

	Area											
	Set Aside 3/	Planted	Harvested	Yield	Production	Total supply 4/	Feed and residual	Other domestic use	Exports	Total use	Ending Stocks	Farm price 5/
	Mil. acres			Lb./acre	Mil. bales							
Cotton 10/												
1987/88	4.0	10.4	10.0	708	14.8	19.8	—	7.6	6.6	14.2	5.8	64.30
1988/89	2.2	12.5	11.9	619	15.4	21.2	—	7.8	6.1	13.9	7.1	56.60
1989/90	3.5	10.6	9.5	614	12.2	19.3	—	8.8	7.7	16.5	3.0	65.60
1990/91*	2.0	12.3	11.7	634	15.5	18.5	—	8.7	7.8	16.5	2.3	67.10
1991/92*	1.2	14.1	13.0	652	17.6	20.0	—	9.6	6.7	16.3	3.7	56.80
1992/93*	1.6	13.3	11.2	700	16.3	20.0	—	9.8	6.1	15.9	4.2 11/	53.60

*March 10, 1993 Supply & Demand Estimates. 1/ Marketing year beginning June 1 for wheat, barley, & oats. August 1 for cotton & rice. September 1 for soybeans, corn, & sorghum. October 1 for soymeal & soyoil. 2/ Conversion factors: Hectare (ha.) = 2.471 acres, 1 metric ton = 2204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 45.9296 bushels of barley, 68.8944 bushels of oats, 22.046 cwt of rice, & 4.59 480-pound bales of cotton. 3/ Includes diversion, acreage reduction, 50-92, & 0-92 programs. 0/92 & 50/92 set-aside includes idled acreage & acreage planted to minor oilseeds. Data for 1992/93 are preliminary. 4/ Includes imports. 5/ Marketing-year weighted average price received by farmers. Does not include an allowance for loans outstanding & Government purchases. 6/ Residual included in domestic use. 7/ Includes seed. 8/ Simple average of crude soybean oil, Decatur. 9/ Simple average of 48 percent, Decatur. 10/ Upland & extra long staple. Stocks estimates based on Census Bureau data resulting in an unaccounted difference between supply & use estimates & changes in ending stocks. 11/ Weighted average for August-November; not a projection for the marketing year. — = not available or not applicable.

Information contact: Commodity Economics Division, Crops Branch (202) 219-0840.

Table 18.—Cash Prices, Selected U.S. Commodities

	Marketing year 1/				1992					1993
	1988/89	1989/90	1990/91	1991/92	Jan	Sept	Oct	Nov	Dec	Jan
Wheat, No. 1 HRW, Kansas City ($/bu.) 2/	4.17	4.22	2.94	3.77	4.66	3.56	3.60	3.78	3.81	3.97
Wheat, DNS, Minneapolis ($/bu.) 3/	4.35	4.16	3.06	3.82	4.36	3.79	3.85	3.94	3.88	4.05
Rice, S.W. La. ($/cwt) 4/	14.85	15.55	15.25	16.48	17.30	14.75	14.70	14.45	14.25	13.00
Corn, no. 2 yellow, 30 day, Chicago ($/bu.)	2.68	2.54	2.41	2.52	2.59	2.17	2.08	2.13	2.17	2.18
Sorghum, no. 2 yellow, Kansas City ($/cwt)	4.17	4.21	4.08	4.36	4.44	3.76	3.60	3.61	3.70	3.70
Barley, feed, Duluth ($/bu.) 5/	2.32	2.20	2.13	2.17	2.20	2.12	2.11	2.08	2.06	2.06
Barley, malting, Minneapolis ($/bu.)	4.11	3.28	2.42	2.38	2.51	2.30	2.39	2.35	2.36	2.36
U.S. price, SLM, 1-1/16 in. (cts./lb.) 6/	57.7	69.8	74.8	56.7	51.5	53.5	49.5	50.0	51.9	53.7
Northern Europe prices index (cts./lb.) 7/	66.4	82.3	82.9	62.9	59.3	58.3	52.9	52.6	54.3	57.4
U.S. M 1-3/32 in. (cts./lb.) 8/	69.2	83.6	88.2	66.3	61.5	60.3	56.0	60.6	61.9	63.4
Soybeans, no. 1 yellow, 30 day, Chicago ($/bu.)	7.41	5.86	5.76	5.75	5.66	5.42	5.33	5.56	5.66	5.73
Soybean oil, crude, Decatur (cts./lb.)	21.10	22.30	21.00	19.10	18.77	18.28	18.36	20.10	20.52	21.23
Soybean meal, 48% protein, Decatur ($/ton) 9/	252.40	186.50	181.40	189.20	184.00	187.00	180.60	181.90	187.60	188.75

1/ Beginning June 1 for wheat & barley; Aug. 1 for rice & cotton; Sept. 1 for corn, sorghum & soybeans; Oct. 1 for soymeal & oil. 2/ Ordinary protein. 3/ 14% protein. 4/ Long grain, milled basis. 5/ Beginning Mar. 1987 reporting point changed from Minneapolis to Duluth. 6/ Average spot market. 7/ Liverpool Cotlook "A" Index; average of five lowest prices of 13 selected growths. 8/ Memphis territory growths. 9/ Note change to 48% protein. NQ = no quotation.

Information contacts: Wheat, rice, & feed grains, Joy Harwood (202) 219-0840; Cotton, Les Meyer (202) 219-0840; Soybeans, Brenda Toland, (202) 219-0840.

Table 19.—Farm Programs, Price Supports, Participation & Payment Rates

	Target price	Basic loan rate	Findley or announced loan rate 1/	Payment rates: Total deficiency	Paid land diversion: Mandatory	Paid land diversion: Optional	Effective base acres 2/	Program 3/	Participation rate 4/
	$/bu.						Mil. acres	Percent of base	Percent of base
Wheat									
1987/88	4.38	2.85	2.28	1.81	—	—	87.6	27.5/0/0	88
1988/89	4.23	2.76	2.21	0.69	—	—	84.8	27.5/0/0	86
1989/90	4.10	2.58	2.06	0.32	—	—	82.3	10/0/0	78
1990/91 5/	4.00	2.44	1.95	1.28	—	—	80.5	6/ 5/0/0	83
1991/92	4.00	2.52	2.04	*1.35	—	—	79.2	15/0/0	85
1992/93	4.00	2.58	2.21	**0.81	—	—	79.0	5/0/0	82
1993/94	4.00	2.86	2.45	***1.05	—	—	—	0/0/0	—
	$/cwt								
Rice									
1987/88	11.66	6.84	7/ 6.15	4.82	—	—	4.2	35/0/0	96
1988/89	11.15	6.63	7/ 6.50	4.31	—	—	4.2	25/0/0	94
1989/90	10.80	6.50	7/ 6.00	3.56	—	—	4.2	25/0/0	94
1990/91 5/	10.71	6.50	7/ 5.40	4.16	—	—	4.2	20/0/0	95
1991/92	10.71	6.50	7/ 5.85	3.07	—	—	4.2	5/0/0	95
1992/93	10.71	6.50	—	**4.21	—	—	4.1	0/0/0	93
1993/94	10.71	6.50	—	***4.21	—	—	—	5/0/0	—
	$/bu.								
Corn									
1987/88	3.03	2.28	1.82	1.09	—	2.00	81.5	20/0/15	90
1988/89	2.93	2.21	1.77	0.36	—	1.75	82.9	20/0/10	87
1989/90	2.84	2.06	1.65	0.58	—	—	82.7	10/0/0	79
1990/91 5/	2.75	1.98	1.57	0.51	—	—	82.6	10/0/0	78
1991/92	2.75	1.89	1.62	0.41	—	—	82.7	7.5/0/0	77
1992/93	2.75	2.01	1.72	**0.73	—	—	82.2	5/0/0	75
1993/94	2.75	1.99	1.72	***0.72	—	—	—	10/0/0	—
	$/bu.								
Sorghum									
1987/88	2.88	2.17	1.74	1.14	—	1.90	17.4	8/ 20/0/15	84
1988/89	2.78	2.10	1.68	0.48	—	1.65	16.8	20/0/10	82
1989/90	2.70	1.98	1.57	0.66	—	—	16.2	10/0/0	71
1990/91 5/	2.61	1.88	1.49	0.56	—	—	15.4	10/0/0	70
1991/92	2.61	1.80	1.54	0.37	—	—	13.5	7.5/0/0	77
1992/93	2.61	1.91	1.63	**0.70	—	—	13.6	5/0/0	77
1993/94	2.61	1.89	1.63	***0.70	—	—	—	5/0/0	—
	$/bu.								
Barley									
1987/88	2.60	1.86	1.49	0.79	—	1.60	12.5	8/ 20/0/15	85
1988/89	2.51	1.80	1.44	0.00	—	1.40	12.5	20/0/10	79
1989/90	2.44	1.68	1.34	0.00	—	—	12.3	10/0/0	67
1990/91 5/	2.36	1.60	1.28	0.20	—	—	11.9	10/0/0	68
1991/92	2.36	1.54	1.32	0.62	—	—	11.5	7.5/0/0	76
1992/93	2.36	1.64	1.40	**0.56	—	—	11.1	5/0/0	74
1993/94	2.36	1.62	1.40	***0.52	—	—	—	0/0/0	—
	$/bu								
Oats									
1987/88	1.60	1.17	0.94	0.20	—	0.80	8.4	8/ 20/0/15	45
1988/89	1.55	1.14	0.91	0.00	—	—	7.9	5/0/0	30
1989/90	1.50	1.06	0.85	0.00	—	—	7.6	5/0/0	18
1990/91 5/	1.45	1.01	0.81	0.32	—	—	7.5	5/0/0	09
1991/92	1.45	0.97	0.83	0.35	—	—	7.3	0/0/0	38
1992/93	1.45	1.03	0.88	**0.17	—	—	7.3	0/0/0	40
1993/94	1.45	1.02	0.88	***0.15	—	—	—	0/0/0	—
	$/bu.								
Soybeans 9/									
1987/88	—	—	4.77	—	—	—	—	—	—
1988/89	—	—	4.77	—	—	—	—	—	—
1989/90	—	—	4.53	—	—	—	—	10/ 10/25	—
1990/91 5/	—	—	4.50	—	—	—	—	10/ 0/25	—
1991/92	—	—	5.02	—	—	—	—	10/ 0/25	—
1992/93	—	—	5.02	—	—	—	—	10/ 0/25	—
1993/94	—	—	5.02	—	—	—	—	10/ 0/25	—
	Cts./lb.								
Upland cotton									
1987/88	79.4	52.25	11/ 52.25	17.3	—	—	14.5	25/0/0	93
1988/89	75.9	51.80	11/ 51.80	19.4	—	—	14.5	12.5/0/0	89
1989/90	73.4	50.00	11/ 50.00	13.1	—	—	14.6	25/0/0	89
1990/91 5/	72.9	50.27	11/ 50.27	7.3	—	—	14.4	12.5/0/0	86
1991/92 12/	72.9	50.77	11/ 47.23	10.1	—	—	14.6	5/0/0	84
1992/93	72.9	52.35	11/ —	**20.3	—	—	14.9	10/0/0	87
1993/94	72.9	52.35	11/ —	***20.55	—	—	—	7.5/0/0	—

1/ There are no Findley loan rates for rice or cotton. See footnotes 7/ & 11/. 2/ National effective crop acreage base as determined by ASCS. Net of CRP. 3/ Program requirements for participating producers (mandatory acreage reduction program/mandatory paid land diversion/optional paid land diversion). Acres idled must be devoted to a conserving use to receive program benefits. 4/ Percentage of effective base acres enrolled in acreage reduction programs. 5/ Payments & loans were reduced by 1.4 percent in 1990/91 due to Gramm–Rudman–Hollings. Budget Reconciliation Act reductions to deficiency payments rates were also in effect in that year. Data do not include these reductions. 6/ Under 1990 modified contracts, participating producers plant up to 105 percent of their wheat base acres. For every acre planted above 95 percent of base, the acreage used to compute deficiency payments was cut by 1 acre. 7/ A marketing loan has been in effect for rice since 1985/86. Loans may be repaid at the lower of: a) the loan rate or b) the adjusted world market price (announced weekly). However, loans cannot be repaid at less than a specified fraction of the loan rate. Data refer to market-year average loan repayment rates. 8/ The sorghum, oats, & barley programs are the same as for corn except as indicated. 9/ There are no target prices, base acres, acreage reduction programs, or deficiency payment rates for soybeans. 10/ Nominal percentage of program crop base acres permitted to shift into soybeans without loss of base. 11/ A marketing loan has been in effect for cotton since 1986/87. In 1987/88 & after, loans may be repaid at the lower of: a) the loan rate or b) the adjusted world market price (announced weekly; Plan B). Starting in 1991/92, loans cannot be repaid at less than 70 percent of the loan rate. Data refer to annual average loan repayment rates. 12/ A marketing certificate program was implemented on Aug. 1, 1991. — = not available.

* For wheat, the 1991/92 rate is the total deficiency payment rate for the "regular" program. For the winter wheat option, the rate is $1.25.
** For wheat, corn, sorghum, barley, and oats, regular deficiency payment rate based on the 5-month price. For rice and upland cotton, total deficiency payment rate.
***Estimated total deficiency payment rate. Minimum guaranteed payment rate for 0/92 (wheat & feed grains) & 50/92 (rice and upland cotton) programs. Sign-up for 1993 programs is March 1–April 30, 1993.

Information contact: Joy Harwood (202) 219-0840.

Table 20.—Fruit

	1984	1985	1986	1987	1988	1989	1990	1991 P	1992 P
Citrus 1/									
Production (1,000 ton)	10,832	10,525	11,058	11,993	12,761	13,186	10,860	11,285	12,450
Per capita consumpt. (lbs.) 2/	22.6	21.6	24.3	24.0	25.4	25.1	22.1	19.9	—
Noncitrus 3/									
Production (1,000 tons)	14,301	14,191	13,874	16,011	15,893	16,365	15,656	15,801	16,939
Per capita consumpt. (lbs.) 2/	66.3	65.3	68.8	73.5	72.0	73.6	70.5	70.7	—

	1992								1993
	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan
F.o.b. shipping point prices									
Apples ($/carton) 4/	15.13	15.50	16.56	25.70	16.73	15.38	14.46	13.60	14.50
Pears ($/box) 5/	18.13	15.10	14.30	---	---	13.05	13.54	13.86	16.00
Grower prices									
Oranges ($/box) 6/	6.50	4.75	2.06	1.65	1.37	1.79	3.80	2.90	2.39
Grapefruit ($/box) 6/	4.23	4.45	4.00	3.32	3.73	7.09	4.11	4.66	2.42
Stocks, ending									
Fresh apples (mil. lbs.)	672.9	327.1	106.5	33.5	3,479.5	5,580.0	4,988.3	4,077.3	3,433.1
Fresh pears (mil. lbs.)	18.7	4.7	49.4	139.1	523.1	380.4	276.7	223.4	173.8
Frozen fruits (mil. lbs.)	613.7	668.1	803.1	881.0	935.3	1,073.5	1,008.2	888.4	829.3
Frozen orange juice (mil. lbs.)	1,306.2	1,133.4	978.0	874.9	742.0	666.2	638.0	892.9	1,202.9

1/ 1991 indicated 1990/91 season. 2/ Fresh per capita consumption. 3/ Calendar year. 4/ Red delicious, Washington, extra fancy, carton tray pack, 125's 5/ D'Anjou, Washington, standard box wrapped, U.S. no. 1, 135's. 6/ U.S. equivalent on-tree returns. P = preliminary. — = not available.

Information contact: Wynnice Napper (202) 219-0884.

Table 21.—Vegetables

	Calendar year									
	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992 P
Production										
Total vegetables (1,000 cwt)	403,509	456,334	453,030	448,629	478,381	468,779	542,437	561,704	564,582	534,951
Fresh (1,000 cwt) 1/ 3/	185,782	201,817	203,549	203,165	220,539	228,397	239,281	239,104	229,506	236,140
Processed (tons) 2/ 3/	10,886,350	12,725,880	12,474,040	12,273,200	12,892,100	12,019,110	15,157,790	16,130,020	16,753,820	14,940,550
Mushrooms (1,000 lbs.) 4/	561,531	595,681	587,956	614,393	631,819	667,759	714,992	749,151	738,832	—
Potatoes (1,000 cwt)	333,726	362,039	406,609	361,743	389,320	356,438	370,444	402,110	417,622	411,636
Sweetpotatoes (1,000 cwt)	12,083	12,902	14,573	12,368	11,611	10,945	11,358	12,594	11,203	11,760
Dry edible beans (1,000 cwt)	15,520	21,070	22,298	22,960	28,031	19,253	23,729	32,379	33,765	22,047

	1992								1993
	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan
Shipments										
Fresh (1,000 cwt) 5/	26,955	28,050	29,056	25,358	15,813	18,112	14,931	16,629	19,492	19,087
Potatoes (1,000 cwt)	22,793	14,643	11,768	10,946	9,418	13,306	11,363	11,967	13,641	13,376
Sweetpotatoes (1,000 cwt)	387	178	184	246	130	346	359	771	539	291

1/ Includes fresh production of asparagus, broccoli, carrots, cauliflower, celery, sweet corn, lettuce, honeydews, onions, & tomatoes. 2/ Includes processing production of snap beans, sweet corn, green peas, tomatoes, cucumbers (for pickles), asparagus, broccoli, carrots, & cauliflower. 3/ Asparagus & cucumber estimates were not available for 1982 & 1983. 4/ Fresh & processing agaricus mushrooms only. Excludes specialty varieties. Crop year July 1 - June 30. 5/ Includes snap beans, broccoli, cabbage, carrots, cauliflower, celery, sweet corn, cucumbers, eggplant, lettuce, onions, bell peppers, squash, tomatoes, cantaloupes, honeydews, & watermelons. p = preliminary.

Information contacts: Gary Lucier (202) 219-0884.

Table 22.—Other Commodities

	Annual					1991	1992			
	1988	1989	1990	1991	1992	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec
Sugar										
Production 1/	7,087	6,841	8,334	7,133	7,501	3,655	2,138	716	722	3,927
Deliveries 1/	8,188	8,340	8,661	8,704	8,920	2,242	2,007	2,208	2,409	2,296
Stocks, ending 1/	3,132	2,947	2,729	3,039	3,220	3,039	3,824	2,767	1,451	3,220
Coffee										
Composite green price N.Y. (cts./lb.)	119.59	95.17	76.93	70.09	55.30	64.84	59.19	51.72	48.36	61.94
Imports, green bean equiv. (mil. lbs.) 2/	2,072	2,685	2,715	2,553	2,989	699	840	720	704	705

	Annual			1991	1992					
	1989	1990	1991	Oct	May	June	July	Aug	Sept	Oct
Tobacco										
Prices at auctions 3/										
Flue-cured ($/lb.)	167.4	167.3	172.3	178.0	—	—	155.0	160.0	182.5	182.0
Burley ($/lb.)	167.2	175.3	178.8	—	—	—	—	—	—	—
Domestic consumption 4/										
Cigarettes (bil.)	540.0	523.1	516.3	40.5	39.0	51.7	38.3	43.7	43.0	44.7
Large cigars (mil.)	2,467.6	2,343.5	2,231.9	193.1	165.1	217.2	167.7	185.7	194.3	177.9

1/ 1,000 short tons, raw value. Quarterly data shown at end of each quarter. 2/ Net imports of green & processed coffee. 3/ Crop year July-June for flue-cured, Oct.-Sept. for burley. 4/ Taxable removals. — = not available.

Information contacts: sugar, Peter Buzzanell (202) 219-0885, coffee, Fred Gray (202) 219-0888, tobacco, Verner Grise (202) 219-0890.

World Agriculture

Table 23.—World Supply & Utilization of Major Crops, Livestock & Products

	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92 P	1992/93 F
				Million units			
Wheat							
Area (hectares)	228.1	219.7	217.4	225.8	231.4	221.2	220.9
Production (metric tons)	524.1	495.7	495.0	532.9	588.1	542.9	557.8
Exports (metric tons) 1/	90.7	107.1	97.9	97.0	94.4	108.2	98.8
Consumption (metric tons) 2/	515.9	524.9	525.4	529.9	565.2	560.3	550.7
Ending stocks (metric tons) 3/	177.6	148.4	118.0	120.9	143.9	128.5	133.7
Coarse grains							
Area (hectares)	335.3	323.1	323.2	320.8	313.6	317.9	319.7
Production (metric tons)	822.2	783.9	721.1	792.5	819.3	797.9	848.1
Exports (metric tons) 1/	82.8	84.7	94.8	103.0	87.3	93.6	90.1
Consumption (metric tons) 2/	796.3	806.8	785.4	816.6	807.1	804.4	820.7
Ending stocks (metric tons) 3/	235.2	212.4	148.0	124.0	136.1	129.6	157.0
Rice, milled							
Area (hectares)	145.1	141.7	145.4	146.7	147.2	145.8	146.5
Production (metric tons)	316.7	314.5	330.0	342.6	350.8	348.2	351.3
Exports (metric tons) 4/	12.9	11.9	15.0	12.2	12.8	15.1	14.6
Consumption (metric tons) 2/	320.7	320.0	327.6	335.9	345.7	353.0	354.4
Ending stocks (metric tons) 3/	51.4	45.9	46.3	55.1	60.1	55.3	52.2
Total grains							
Area (hectares)	708.5	684.5	686.0	693.3	692.2	684.9	687.1
Production (metric tons)	1,663.0	1,594.1	1,546.1	1,668.0	1,758.2	1,689.0	1,757.2
Exports (metric tons) 1/	186.4	203.7	207.7	212.2	194.5	216.9	203.5
Consumption (metric tons) 2/	1,632.9	1,651.7	1,638.4	1,682.4	1,718.0	1,717.7	1,725.8
Ending stocks (metric tons) 3/	464.2	406.7	314.3	300.0	340.1	311.4	342.9
Oilseeds							
Crush (metric tons)	161.8	168.4	164.5	172.0	177.4	185.7	185.2
Production (metric tons)	194.9	210.5	201.7	212.5	216.0	223.8	225.4
Exports (metric tons)	37.7	39.5	31.5	35.5	33.0	36.9	38.6
Ending stocks (metric tons)	23.3	24.0	22.1	23.3	22.8	21.2	22.4
Meals							
Production (metric tons)	110.7	115.4	111.3	117.1	120.0	125.5	125.5
Exports (metric tons)	36.7	35.8	37.4	38.5	39.5	42.2	40.1
Oils							
Production (metric tons)	49.9	52.4	53.5	56.5	58.8	60.3	61.7
Exports (metric tons)	16.9	17.5	18.1	19.8	20.2	20.2	20.4
Cotton							
Area (hectares)	29.2	30.8	33.7	31.5	33.0	34.8	32.5
Production (bales)	70.6	81.1	84.4	79.9	87.0	96.0	83.2
Exports (bales)	25.9	23.1	25.8	23.9	23.0	22.4	22.2
Consumption (bales)	82.8	84.1	85.3	86.7	85.5	85.0	85.0
Ending stocks (bales)	35.7	32.8	31.9	26.3	28.7	40.7	38.8

	1987	1988	1989	1990	1991	1992	1993 F
Red meat							
Production (metric tons)	112.9	116.6	118.1	120.3	121.3	121.3	123.4
Consumption (metric tons)	111.0	114.6	116.7	118.1	119.3	119.8	121.7
Exports (metric tons) 1/	6.7	7.4	7.6	7.6	8.0	7.8	8.1
Poultry 5/							
Production (metric tons)	31.3	32.7	34.0	35.8	37.8	39.2	40.9
Consumption (metric tons)	29.9	31.0	32.7	33.9	35.8	37.1	38.8
Exports (metric tons) 1/	1.3	1.5	1.7	1.8	2.1	2.2	2.3
Dairy							
Milk production (metric tons)	425.7	428.9	434.7	442.0	429.4	415.0	408.0

1/ Excludes Intra-EC trade. 2/ Where stocks data not available (excluding USSR), consumption includes stock changes. 3/ Stocks data are based on differing marketing years & do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. 4/ Calendar year data. 1987 data correspond with 1986/87, etc. 5/ Poultry excludes the Peoples Republic of China before 1986. P = preliminary. F = forecast.

Information contacts: Crops, Carol Whitton (202) 219-0824; red meat & poultry, Linda Bailey (202) 219-1285; dairy, Sara Short (202) 219-0770.

U.S. Agricultural Trade

Table 24.—Prices of Principal U.S. Agricultural Trade Products

	Annual			1992						1993
	1990	1991	1992	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Export commodities										
Wheat, f.o.b. vessel, Gulf ports ($/bu.)	3.72	3.52	4.13	4.65	3.50	3.79	3.85	4.03	4.03	4.25
Corn, f.o.b. vessel, Gulf ports ($/bu.)	2.79	2.75	2.66	2.79	2.49	2.50	2.42	2.44	2.42	2.43
Grain sorghum, f.o.b. vessel, Gulf ports ($/bu.)	2.65	2.69	2.63	2.86	2.41	2.41	2.33	2.39	2.45	2.44
Soybeans, f.o.b. vessel, Gulf ports ($/bu.)	6.24	6.05	6.01	6.00	5.86	5.82	5.67	5.84	5.96	6.08
Soybean oil, Decatur (cts./lb.)	22.75	20.14	19.16	18.61	17.76	18.10	18.31	19.98	20.58	21.2
Soybean meal, Decatur ($/ton)	169.37	172.90	177.79	172.43	174.31	174.33	180.63	181.18	188.30	188.18
Cotton, 7-market avg. spot (cts./lb.)	71.25	69.69	53.90	51.53	57.56	53.49	49.47	49.98	51.85	53.72
Tobacco, avg. price at auction (cts./lb.)	170.57	179.23	173.58	175.95	165.49	182.51	181.93	182.97	182.51	179.98
Rice, f.o.b. mill, Houston ($/cwt)	15.52	16.46	16.80	17.50	16.50	16.50	16.50	16.13	15.63	15.25
Inedible tallow, Chicago (cts./lb.)	13.54	13.26	14.37	12.25	15.42	15.25	15.73	16.75	16.00	15.09
Import commodities										
Coffee, N.Y. spot ($/lb.)	0.81	0.71	0.50	0.57	0.38	0.40	0.49	0.55	0.66	0.58
Rubber, N.Y. spot (cts./lb.)	46.28	45.73	46.25	43.11	47.05	46.86	47.83	48.00	48.03	48.03
Cocoa beans, N.Y. ($/lb.)	0.55	0.52	0.47	0.56	0.50	0.47	0.46	0.46	0.44	0.45

Information contact: Mary Teymourian (202) 219-0824

Table 25.—Indexes of Real Trade-Weighted Dollar Exchange Rates 1/

	1992										
	Feb	Mar	Apr	May	June	July	Aug P	Sept P	Oct P	Nov P	Dec P
	1985 = 1 1985 = 100										
Total U.S. trade 2/	63.7	68.6	65.0	63.9	59.9	59.7	59.1	59.2	61.9	65.6	65.9
Agricultural trade											
U.S. markets	76.4	80.9	78.2	76.5	75.2	74.7	74.4	74.1	75.2	75.8	75.5
U.S. competitors	76.8	81.1	76.6	76.4	75.0	74.7	74.3	76.2	74.6	76.3	80.6
Wheat											
U.S. markets	95.8	100.9	100.4	96.8	96.1	95.3	94.5	93.5	94.2	91.7	90.7
U.S. competitors	71.2	86.7	70.9	71.1	69.4	69.2	69.2	74.3	71.0	73.2	79.6
Soybeans											
U.S. markets	63.7	66.2	65.5	63.6	61.8	61.4	60.9	60.7	62.2	64.5	64.7
U.S. competitors	57.0	57.7	57.4	56.5	54.9	54.9	54.2	53.5	52.9	52.8	51.9
Corn											
U.S. markets	69.0	71.1	70.6	67.8	67.7	67.3	67.4	66.6	67.5	68.7	68.7
U.S. competitors	60.8	61.4	60.6	60.0	56.9	56.4	55.8	55.6	55.8	57.2	56.9
Cotton											
U.S. markets	72.3	75.6	74.0	72.7	71.4	71.2	71.2	70.6	71.7	70.3	69.7
U.S. competitors	100.7	100.5	99.9	100.3	110.7	109.9	109.3	111.6	108.9	109.6	112.8

1/ Real indexes adjust nominal exchange rates for differences in rates of inflation, to avoid the distortion caused by high-inflation countries. A higher value means the dollar has appreciated. See the October 1988 issue of Agricultural Outlook for a discussion of the calculations and the weights used. 2/ Federal Reserve Board index of trade-weighted value of the U.S. dollar against 10 major currencies. Weights are based on relative importance in world financial markets. P = preliminary.

Information contact: Tim Baxter (202) 219-0718.

Table 26.—Trade Balance

	Fiscal year 1/								Dec
	1986	1987	1988	1989	1990	1991	1992	1993 F	1992
	$ million								
Exports									
Agricultural	26,312	27,876	35,316	39,590	40,220	37,609	42,417	42,500	3,787
Nonagricultural	179,291	202,911	258,656	301,269	326,059	356,682	377,223	—	32,704
Total 2/	205,603	230,787	293,972	340,859	366,279	394,291	419,640	—	36,491
Imports									
Agricultural	20,884	20,650	21,014	21,476	22,560	22,588	24,323	24,500	2,070
Nonagricultural	342,846	367,374	409,138	441,075	458,101	483,720	487,554	—	43,393
Total 3/	363,730	388,024	430,152	462,551	480,661	486,308	511,877	—	45,463
Trade balance									
Agricultural	5,428	7,226	14,302	19,114	17,660	15,021	16,094	18,000	1,717
Nonagricultural	-163,555	-164,463	-150,482	-139,806	-132,042	-107,038	-110,331	—	-10,689
Total	-158,127	-157,237	-136,180	-121,692	-114,382	-92,017	-92,237	—	-8,972

1/ Fiscal years begin October 1 & end September 30. Fiscal year 1992 began Oct. 1, 1991 & ended Sept. 30, 1992. 2/ Domestic exports including Department of Defense shipments (F.A.S. value). 3/ Imports for consumption (customs value). F = forecast. — = not available.

Information contact: Stephen MacDonald (202) 219-0822.

Table 27.—U.S. Agricultural Exports & Imports

	Fiscal year*			Dec	Fiscal year*			Dec
	1991	1992	1993 F	1992	1991	1992	1993 F	1992
	1,000 units				$ million			
EXPORTS								
Animals, live (no.) 1/	1,235	1,476	—	106	545	567	—	49
Meats & preps., excl. poultry (mt)	936	1,108	2/ 1,000	98	2,773	3,236	—	264
Dairy products (mt) 1/	43	172	—	14	293	638	600	59
Poultry meats (mt)	626	795	800	78	737	915	—	89
Fats, oils, & greases (mt)	1,169	1,392	1,500	111	419	498	—	44
Hides & skins incl. furskins	—	—	—	—	1,451	1,337	—	95
Cattle hides, whole (no.) 1/	21,548	20,822	—	1,527	1,191	1,107	—	84
Mink pelts (no.) 1/	3,941	3,160	—	87	74	52	—	1
Grains & feeds (mt)	94,583	100,744	—	9,800	12,175	13,858	3/ 14,000	1,284
Wheat (mt)	26,792	34,287	35,500	3,031	2,867	4,318	4/ 4,800	388
Wheat flour (mt)	987	816	900	77	191	165	—	17
Rice (mt)	2,395	2,279	2,100	239	747	757	700	75
Feed grains, incl. products (mt)	52,353	50,646	52,500	5,429	5,790	5,793	5,200	546
Feeds & fodders (mt)	10,943	11,267	5/ 11,800	880	1,882	2,019	—	174
Other grain products (mt)	1,113	1,449	—	144	697	807	—	85
Fruits, nuts, & preps. (mt)	2,849	3,505	—	264	3,038	3,514	—	267
Fruit juices incl. froz. (1,000 hectoliters) 1/	6,311	7,767	—	492	338	427	—	27
Vegetables & preps. (mt)	2,589	2,703	—	223	2,597	2,790	—	257
Tobacco, unmanufactured (mt)	239	246	—	26	1,533	1,568	1,600	155
Cotton, excl. linters (mt)	1,565	1,494	1,400	126	2,605	2,183	1,800	172
Seeds (mt)	514	701	—	70	617	659	700	99
Sugar, cane or beet (mt)	589	492	—	47	219	154	—	13
Oilseeds & products (mt)	22,295	28,642	—	2,728	5,643	7,156	7,100	648
Oilseeds (mt)	15,615	19,970	—	2,063	3,807	4,743	—	469
Soybeans (mt)	15,139	19,247	19,800	2,002	3,465	4,311	4,300	438
Protein meal (mt)	5,628	7,022	—	540	1,113	1,431	—	106
Vegetable oils (mt)	1,051	1,650	—	125	723	982	—	73
Essential oils (mt)	13	13	—	1	183	184	—	15
Other	92	91	—	6	2,441	2,733	—	248
Total	128,104	142,098	148,000	13,592	37,609	42,417	42,500	3,787
IMPORTS								
Animals, live (no.) 1/	3,168	2,830	—	321	1,131	1,275	1,400	134
Meats & preps., excl. poultry (mt)	1,191	1,134	—	66	3,016	2,684	—	165
Beef & veal (mt)	811	813	800	41	2,025	1,933	1,900	99
Pork (mt)	322	263	260	21	865	625	600	53
Dairy products (mt) 1/	231	232	—	28	767	816	900	101
Poultry & products 1/	—	—	—	—	119	132	—	19
Fats, oils, & greases (mt)	33	46	—	2	19	26	—	2
Hides & skins, incl. furskins 1/	—	—	—	—	153	185	—	15
Wool, unmanufactured (mt)	50	54	—	5	175	167	—	14
Grains & feeds (mt)	4,189	5,446	5,100	440	1,282	1,548	1,600	130
Fruits, nuts, & preps., excl. juices (mt)	5,650	5,863	6,100	482	2,741	2,919	—	249
Bananas & plantains (mt)	3,399	3,626	4,000	300	993	1,083	1,100	83
Fruit juices (1,000 hectoliters) 1/	27,948	26,049	24,000	2,322	737	871	—	62
Vegetables & preps. (mt)	2,416	2,171	—	250	2,183	2,125	2,400	218
Tobacco, unmanufactured (mt)	215	364	180	28	698	1,299	900	83
Cotton, unmanufactured (mt)	18	11	—	1	16	10	—	1
Seeds (mt)	169	174	180	13	173	214	200	16
Nursery stock & cut flowers 1/	—	—	—	—	538	578	—	51
Sugar, cane or beet (mt)	1,785	1,623	—	92	717	633	—	38
Oilseeds & products (mt)	2,077	2,330	—	214	959	1,124	1,300	112
Oilseeds (mt)	445	429	—	25	151	135	—	9
Protein meal (mt)	412	629	—	43	57	84	—	6
Vegetable oils (mt)	1,220	1,273	—	146	750	904	—	96
Beverages excl. fruit juices (1,000 hectoliters) 1/	12,987	13,739	—	1,110	1,858	2,044	—	169
Coffee, tea, cocoa, spices	2,045	2,391	2,320	221	3,294	3,415	—	300
Coffee, incl. products (mt)	1,116	1,330	1,300	127	1,831	1,798	1,800	159
Cocoa beans & products (mt)	700	773	750	69	1,019	1,122	1,100	96
Rubber & allied gums (mt)	792	920	950	78	664	756	800	64
Other	—	—	—	—	1,348	1,503	—	128
Total	—	—	—	—	22,588	24,323	24,500	2,070

*Fiscal years begin Oct. 1 & end Sept. 30. Fiscal year 1992 began Oct. 1, 1991 & ended Sept. 30, 1992. 1/ Not included in total volume and also other dairy products for 1991 & 1992. 2/ Forecasts for footnoted items 2/–6/ are based on slightly different groups of commodities. Fiscal 1991 exports of categories used in the 1991 forecasts were 2/ 676,000 m. tons. 3/ 16,014 million. 4/ 4,426 million i.e. includes flour. 5/ 11,065 million m. tons. 6/ Less than $500. F = forecast. — = not available.

Information contact: Stephen MacDonald (202) 219-0822.

Table 28.—U.S. Agricultural Exports by Region

Region & country	Fiscal year*			Dec	Change from year* earlier			Dec
	1991	1992	1993 F	1992	1991	1992	1993 F	1992
	$ million				Percent			
WESTERN EUROPE	7,312	7,740	8,200	758	-1	6	6	-15
European Community (EC-12)	6,776	7,194	7,700	726	-1	6	7	-13
Belgium-Luxembourg	464	461	—	51	9	-1	—	9
France	571	618	--	56	22	8	—	-38
Germany	1,135	1,091	—	115	2	-4	--	-1
Italy	675	684	--	94	-4	1	--	-2
Netherlands	1,561	1,813	—	222	-5	16	—	-2
United Kingdom	883	882	--	83	16	0	--	15
Portugal	251	240	—	24	-26	-4	--	27
Spain, incl. Canary Islands	855	951	--	51	-12	11	—	-52
Other Western Europe	536	546	500	33	9	2	0	-42
Switzerland	194	187	—	12	13	-4	—	-49
EASTERN EUROPE	306	222	300	26	-36	-28	50	-4
Poland	46	49	--	11	-54	6	—	199
Yugoslavia	74	88	--	1	-43	-41	—	-89
Romania	82	76	--	6	-61	-8	--	-53
Former USSR	1,758	2,691	1,900	142	-42	53	-30	-49
ASIA	16,094	17,782	17,700	1,571	-11	10	-1	-1
West Asia (Mideast)	1,430	1,770	2,000	165	-28	24	11	15
Turkey	224	344	--	34	-14	54	--	239
Iraq	0	0	0	0	-100	0	0	0
Israel, incl. Gaza & W. Bank	287	346	—	44	1	20	--	5
Saudi Arabia	536	549	500	54	7	2	0	12
South Asia	375	536	--	81	-48	43	--	60
Bangladesh	67	123	—	10	-44	83	--	38
India	94	117	--	26	-19	24	—	229
Pakistan	144	226	200	32	-63	57	0	-9
China	668	691	400	27	-27	3	-43	-56
Japan	7,736	8,383	8,100	714	-5	8	-4	5
Southeast Asia	1,239	1,470	--	159	5	19	--	13
Indonesia	279	353	--	27	1	27	—	-37
Philippines	373	443	500	61	6	19	25	83
Other East Asia	4,646	4,934	5,100	425	-11	6	4	-18
Taiwan	1,739	1,916	1,900	167	-4	10	0	-30
Korea, Rep.	2,159	2,200	2,300	190	-20	2	5	-9
Hong Kong	745	817	900	69	9	10	13	1
AFRICA	1,882	2,304	2,500	240	-6	22	9	54
North Africa	1,386	1,412	1,600	130	-9	2	14	7
Morocco	129	156	--	12	-21	21	--	-24
Algeria	477	478	500	31	-3	0	0	-17
Egypt	692	709	600	80	-9	2	-14	18
Sub-Sahara	496	892	800	110	2	80	-11	217
Nigeria	44	31	--	17	38	-30	—	1,949
Rep. S. Africa	74	328	--	43	-9	345	—	433
LATIN AMERICA & CARIBBEAN	5,499	6,438	6,700	581	7	17	5	5
Brazil	271	143	100	24	158	-47	0	23
Caribbean Islands	1,010	970	--	84	0	-4	—	-10
Central America	498	587	--	46	8	18	--	-20
Colombia	124	142	—	17	-18	14	--	290
Mexico	2,885	3,676	4,100	320	8	27	11	8
Peru	150	179	—	13	-20	19	--	-53
Venezuela	307	394	300	33	-11	28	-25	24
CANADA	4,409	4,812	4,800	423	19	9	0	19
OCEANIA	349	428	400	46	10	23	0	3
TOTAL	37,809	42,417	42,500	3,787	-6	13	0	-3
Developed countries	20,106	21,969	22,300	2,022	2	9	1	0
Developing countries	16,831	19,756	—	1,739	-14	17	—	-5
Other countries	672	693	—	27	-26	3	--	-56

*Fiscal years begin Oct. 1 & end Sept. 30. Fiscal year 1992 began Oct. 1, 1991 & ended Sept. 30, 1992. F = forecast. -- = not available.
Note: Adjusted for transshipments through Canada.

Information contact: Stephen MacDonald (202) 219-0822.

Farm Income

Table 29.—Farm Income Statistics

	Calendar year										
	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992 F	1993 F
	$ billion										
1. Farm receipts	141.9	147.7	150.1	140.0	148.5	158.2	169.2	177.1	174.8	175	170 to 183
Crops (incl. net CCC loans)	67.2	69.9	74.3	63.7	65.9	71.7	76.9	80.0	80.5	83	82 to 87
Livestock	69.6	72.9	69.8	71.6	76.0	79.4	84.1	89.9	86.7	85	84 to 88
Farm related 1/	5.1	4.9	6.0	5.7	6.6	7.1	8.2	7.2	7.6	7	6 to 8
2. Direct Government payments	9.3	8.4	7.7	11.8	16.7	14.5	10.9	9.3	8.2	9	8 to 12
Cash payments	4.1	4.0	7.6	8.1	6.6	7.1	9.1	8.4	8.2	9	8 to 12
Value of PIK commodities	5.2	4.5	0.1	3.7	10.1	7.4	1.7	0.9	0.0	0	0 to 1
3. Gross cash income (1+2) 2/	151.1	156.1	157.9	152.8	165.1	171.7	180.2	186.4	183.2	184	183 to 191
4. Nonmoney income 3/	13.6	5.9	5.6	5.5	5.6	6.1	6.2	6.1	5.9	5	5 to 7
5. Value of inventory change	-10.9	6.0	-2.3	-2.2	-2.3	-3.4	4.8	3.5	0.4	4	-3 to 1
6. Total gross farm income (3+4+5)	153.9	168.0	161.2	156.1	168.5	175.4	191.1	196.0	189.5	195	189 to 197
7. Cash expenses 4/	112.8	118.7	110.7	105.0	109.4	114.8	121.2	125.2	125.2	126	123 to 129
8. Total expenses	139.6	141.9	132.4	125.1	128.8	134.3	141.2	145.1	144.9	145	143 to 149
9. Net cash income (3-7)	38.4	37.4	47.1	47.8	55.8	58.1	58.9	61.3	58.0	59	58 to 64
10. Net farm income (6-8)	14.2	26.1	28.8	31.0	39.7	41.1	49.9	51.0	44.6	50	43 to 49
Deflated (1987$)	16.3	28.7	30.5	32.0	39.7	39.5	46.0	45.1	37.9	41	35 to 40

1/ Income from machine hire, custom work, sales of forest products, & other miscellaneous cash sources. 2/ Numbers in parentheses indicate the combination of items required to calculate a given item. 3/ Value of home consumption of self-produced food & imputed gross rental value of farm dwellings. 4/ Excludes capital consumption, perquisites to hired labor, & farm household expenses. Total may not add because of rounding. F = forecast.

Information contact: Robert McElroy (202) 219-0800.

Table 30.—Balance Sheet of the U.S. Farming Sector

	Calendar year 1/										
	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992F	1993 F
	$ billion										
Assets											
Real estate	753.4	661.8	586.2	542.3	578.9	595.5	615.5	627.5	623.4	623	620 to 630
Non-real estate	189.8	195.2	186.5	182.1	193.7	205.4	213.4	219.0	218.5	223	218 to 228
Livestock & poultry	49.5	49.5	46.3	47.8	58.0	62.2	66.2	70.9	68.4	72	71 to 75
Machinery & motor vehicles	85.8	85.0	82.9	81.5	80.0	81.0	84.5	84.3	83.7	83	81 to 85
Crops stored 2/	23.6	26.1	22.9	16.3	17.5	23.3	23.4	22.8	23.6	23	21 to 25
Purchased inputs	—	2.0	1.2	2.1	3.2	3.5	2.8	2.8	2.5	3	2 to 4
Financial assets	30.9	32.6	33.3	34.5	35.1	35.4	36.8	38.3	40.3	42	41 to 45
Total farm assets	943.2	857.0	772.7	724.4	772.6	800.9	828.9	846.5	842.4	846	845 to 855
Liabilities											
Real estate debt 3/	103.2	106.7	100.1	90.4	82.4	77.8	75.4	73.7	74.4	75	73 to 77
Non-real estate debt 4/	87.9	87.1	77.5	66.6	62.0	61.7	61.8	63.1	64.3	65	64 to 68
Total farm debt	191.1	193.8	177.6	157.0	144.4	139.4	137.2	136.8	138.8	140	138 to 144
Total farm equity	752.2	663.3	595.1	567.5	628.2	661.6	691.8	709.8	703.1	707	705 to 715
	Percent										
Selected ratios											
Debt-to-assets	20.3	22.6	23.0	21.7	18.7	17.4	16.6	16.2	16.5	17	16 to 17
Debt-to-equity	25.5	29.2	29.8	27.7	23.0	21.1	19.8	19.3	19.7	20	19 to 21
Debt-to-net cash income	498	518	377	328	259	240	233	223	2,395	2,300	2,200 to 2,400

1/ As of Dec. 31. 2/ Non-CCC crops held on farms plue value above loan rates for crops held under CCC. 3/ Excludes debt on operator dwellings, but includes CCC storage and drying facilities loans. 4/ Excludes debt for nonfarm purposes. F = forecast

Information contacts. Ken Erickson or Jim Ryan (202) 219-0798.

Table 31.—Cash Receipts From Farm Marketings, by State

Region & State	Livestock & products				Crops 1/				Total 1/			
	1991	1992	Nov 1992	Dec 1992	1991	1992	Nov 1992	Dec 1992	1991	1992	Nov 1992	Dec 1992
	$ million 2/											
NORTH ATLANTIC												
Maine	252	244	21	22	192	195	22	18	445	439	44	39
New Hampshire	63	63	6	5	80	76	5	6	143	139	11	11
Vermont	368	400	31	31	66	66	5	4	433	466	36	35
Massachusetts	121	121	9	10	355	342	55	34	476	463	64	44
Rhode Island	13	13	1	1	58	58	4	8	71	71	5	9
Connecticut	209	201	19	21	255	240	17	15	463	441	36	36
New York	1,782	1,885	153	156	1,087	1,077	90	101	2,868	2,963	242	257
New Jersey	197	196	17	17	464	478	47	30	660	673	63	47
Pennsylvania	2,470	2,549	188	204	1,033	1,050	98	101	3,503	3,599	285	305
NORTH CENTRAL												
Ohio	1,681	1,608	148	145	2,212	2,310	186	230	3,893	3,917	334	375
Indiana	1,893	1,731	171	162	2,582	2,696	215	284	4,475	4,428	386	446
Illinois	2,344	2,221	218	223	5,165	5,524	404	565	7,509	7,745	622	788
Michigan	1,288	1,291	105	116	1,793	1,947	222	192	3,081	3,239	327	308
Wisconsin	4,215	4,434	381	375	1,234	1,226	161	123	5,449	5,660	542	498
Minnesota	3,577	3,519	323	323	3,359	3,464	474	450	6,936	6,983	797	773
Iowa	5,721	5,350	449	531	4,458	4,843	523	558	10,179	10,192	972	1,088
Missouri	2,203	2,109	207	165	1,658	1,959	194	239	3,861	4,068	402	424
North Dakota	699	685	99	70	1,857	2,368	317	280	2,556	3,053	418	350
South Dakota	2,176	2,068	221	198	1,088	1,243	123	122	3,264	3,312	345	319
Nebraska	5,934	5,786	587	632	2,888	3,085	309	447	8,821	8,872	896	1,079
Kansas	4,802	4,954	404	405	2,133	2,424	165	223	6,935	7,379	568	628
SOUTHERN												
Delaware	438	453	32	35	181	175	21	10	620	628	54	45
Maryland	779	831	67	70	554	573	73	41	1,332	1,404	141	111
Virginia	1,363	1,433	142	116	732	728	63	72	2,095	2,161	205	188
West Virginia	253	252	24	19	77	79	7	9	330	331	32	27
North Carolina	2,608	2,635	274	257	2,316	2,318	187	124	4,924	4,954	441	381
South Carolina	549	519	52	41	677	627	53	39	1,225	1,147	105	80
Georgia	2,153	2,122	171	192	1,825	1,795	188	121	3,978	3,916	359	312
Florida	1,172	1,139	92	105	4,969	4,678	234	395	6,141	5,816	326	500
Kentucky	1,704	1,652	249	120	1,475	1,619	250	504	3,179	3,271	499	624
Tennessee	1,045	1,028	83	78	933	1,062	173	301	1,978	2,090	255	379
Alabama	2,219	2,111	146	148	759	790	103	75	2,978	2,901	249	223
Mississippi	1,275	1,318	106	110	1,147	1,265	272	244	2,422	2,583	378	354
Arkansas	2,680	2,621	225	234	1,631	1,945	366	269	4,311	4,565	591	503
Louisiana	621	620	48	48	1,172	1,291	302	240	1,793	1,911	350	288
Oklahoma	2,767	2,668	181	183	1,040	1,144	76	80	3,808	3,812	257	264
Texas	7,914	7,870	618	869	4,212	4,159	393	454	12,126	12,028	1,010	1,323
WESTERN												
Montana	790	766	172	101	741	830	101	80	1,531	1,596	273	181
Idaho	1,073	1,109	95	94	1,543	1,620	256	212	2,616	2,730	352	306
Wyoming	643	620	95	44	170	167	46	28	813	787	142	72
Colorado	2,664	2,694	241	253	1,097	1,086	130	131	3,761	3,779	371	384
New Mexico	1,019	968	94	76	482	469	53	48	1,501	1,437	147	124
Arizona	786	823	74	72	1,104	940	152	93	1,890	1,764	226	165
Utah	553	583	55	56	178	192	19	19	731	775	74	75
Nevada	187	187	12	13	89	74	9	8	276	260	21	21
Washington	1,290	1,364	115	123	2,657	2,932	289	260	3,947	4,296	404	383
Oregon	824	826	79	71	1,631	1,697	195	131	2,454	2,524	274	202
California	5,272	5,258	413	614	12,615	12,838	1,757	1,121	17,887	18,095	2,170	1,735
Alaska	6	6	1	1	20	20	2	2	27	27	3	3
Hawaii	91	91	8	7	506	495	42	42	597	586	49	49
UNITED STATES	86,748	85,996	7,721	7,984	80,550	84,280	9,429	9,184	167,292	170,276	17,150	17,167

1/ Sales of farm products include receipts from commodities placed under nonrecourse CCC loans, plus additional gains realized on redemptions during the period. 2/ Estimates as of end of current month. Totals may not add because of rounding

Information contact: Roger Strickland (202) 219–0806. To receive current monthly cash receipts via mail or E–Mail contact Linda Farmer at (202) 219–0804.

Table 32.—Cash Receipts From Farming

	Annual						1991	1992				
	1987	1988	1989	1990	1991	1992 P	Dec	Aug	Sep	Oct	Nov	Dec
							$ million					
Farm marketings & CCC loans*	141,844	151,102	161,027	169,920	167,292	170,275	14,157	13,068	16,249	19,492	17,150	17,187
Livestock & products	75,993	79,438	84,148	89,921	86,745	85,996	6,557	7,147	7,223	7,738	7,721	7,984
Meat animals	44,475	46,492	46,857	51,911	51,093	48,988	3,441	3,878	4,141	4,538	4,431	4,808
Dairy products	17,727	17,641	19,396	20,210	18,114	19,709	1,701	1,724	1,645	1,566	1,591	1,631
Poultry & eggs	11,515	12,868	15,372	15,243	15,063	14,801	1,249	1,358	1,217	1,380	1,389	1,379
Other	2,274	2,437	2,524	2,557	2,476	2,497	166	187	220	174	311	166
Crops	65,851	71,663	76,879	79,999	80,547	84,280	7,600	5,918	9,026	11,753	9,429	9,184
Food grains	6,790	7,474	8,247	7,512	6,823	8,946	544	914	945	1,027	733	648
Feed crops	14,635	14,298	17,054	18,690	19,012	20,352	1,452	1,299	2,096	2,902	1,961	2,532
Cotton (lint & seed)	4,189	4,546	5,033	5,489	5,589	5,404	1,147	132	185	1,000	1,372	1,289
Tobacco	1,816	2,083	2,415	2,741	2,888	2,967	690	481	653	217	243	653
Oil-bearing crops	11,283	13,500	11,866	12,294	12,547	13,065	760	473	1,738	3,103	1,430	1,122
Vegetables & melons	9,898	9,788	11,534	11,455	11,293	11,235	471	1,148	1,236	1,171	819	561
Fruits & tree nuts	8,065	9,202	8,296	9,534	9,882	9,885	1,140	784	1,120	1,251	1,352	1,013
Other	10,176	10,772	11,435	12,284	12,514	12,426	1,395	707	1,052	1,082	1,728	1,365
Government payments	16,747	14,480	10,887	9,298	8,214	9,053	1,390	63	517	1,813	303	1,164
Total	158,591	165,582	171,914	179,218	175,506	179,338	15,547	13,129	16,766	21,305	17,453	18,331

* Sales of farm products include receipts from commodities placed under nonrecourse CCC loans, plus additional gains realized on redemptions during the period. P = preliminary.

Information contact: Roger Strickland (202) 219-0806. To receive current monthly cash receipts via mail or E-Mail contact Linda Farmer at (202) 219-0804.

Table 33.—Farm Production Expenses

	Calendar year										
	1984	1985	1986	1987	1988	1989	1990	1991	1992F	1993F	
						$ million					
Feed purchased	19,383	16,949	17,472	17,463	20,393	21,002	20,706	19,800	20,000	18,000	to 22,000
Livestock & poultry purchased	9,487	9,184	9,758	11,842	12,764	13,138	14,832	14,358	14,000	12,000	to 16,000
Seed purchased	3,386	3,128	3,188	3,259	3,359	3,558	3,576	3,975	4,000	3,000	to 5,000
Farm-origin inputs	32,256	29,261	30,418	32,564	36,515	37,698	39,114	38,133	38,000	36,000	to 40,000
Fertilizer & lime	8,361	7,513	6,820	6,453	6,947	7,249	7,135	7,419	7,000	6,000	to 9,000
Fuels & oils	7,296	6,436	5,310	4,857	4,903	4,798	5,730	5,472	5,000	4,000	to 7,000
Electricity	2,060	1,878	1,795	2,156	2,289	2,543	2,480	2,483	2,000	1,000	to 3,000
Pesticides	4,688	4,334	4,324	4,512	4,577	5,437	5,730	6,313	6,000	6,000	to 8,000
Manufactured inputs	22,404	20,160	18,249	18,077	18,716	20,027	21,063	21,687	21,000	20,000	to 24,000
Short-term interest	10,396	8,735	7,367	6,767	6,797	6,910	6,911	6,615	6,000	5,000	to 8,000
Real estate interest 1/	10,733	9,878	9,131	8,187	7,885	7,781	7,607	7,319	7,000	6,000	to 8,000
Total interest charges	21,129	18,613	16,498	14,954	14,682	14,691	14,518	13,934	14,000	12,000	to 16,000
Repair & maintenance 1/	6,416	6,370	6,426	6,760	6,858	7,340	7,347	7,234	7,000	7,000	to 9,000
Contract & hired labor	9,427	10,008	9,484	9,975	10,441	11,110	12,541	12,595	13,000	11,000	to 15,000
Machine hire & custom work	2,565	2,354	2,099	2,105	2,354	2,682	2,633	2,722	3,000	2,000	to 4,000
Marketing, storage, & transportation	4,012	4,127	3,652	4,078	3,450	4,080	4,046	4,532	5,000	4,000	to 6,000
Misc. operating expenses 1/ 2/	10,331	10,010	9,759	11,171	11,791	12,522	12,364	13,256	13,000	11,000	to 15,000
Other operating expenses	32,751	32,868	31,420	34,089	34,894	37,734	38,931	40,339	41,000	39,000	to 44,000
Capital consumption 1/	20,847	19,299	17,788	17,092	17,344	17,780	17,494	17,352	17,000	16,000	to 20,000
Taxes 1/	4,337	4,542	4,612	4,853	4,848	5,127	5,623	5,980	6,000	5,000	to 7,000
Net rent to nonoperator landlord	8,150	7,690	6,099	7,124	7,290	8,187	8,334	7,464	8,000	7,000	to 9,000
Other overhead expenses	33,334	31,531	28,499	29,069	29,482	31,094	31,451	30,796	31,000	30,000	to 33,000
Total production expenses	141,873	132,433	125,084	128,772	134,285	141,244	145,077	144,889	145,000	143,000	to 149,000

1/ Includes operator dwellings. 2/ Beginning in 1982, miscellaneous operating expenses include other livestock purchases, dairy assessments & feeding fees paid by nonoperators. Totals may not add because of rounding. F = forecast.

Information contacts: Chris McGath (202) 219-0804, Robert McElroy (202) 219-0800.

Table 34.—CCC Net Outlays by Commodity & Function

	Fiscal year									
	1985	1986	1987	1988	1989	1990	1991	1992	1993 E	1994 E
	$ million									
COMMODITY/PROGRAM										
Feed grains										
Corn	4,403	10,524	12,346	8,227	2,863	2,450	2,387	2,105	5,250	3,180
Grain sorghum	463	1,185	1,203	764	467	361	243	190	423	274
Barley	336	471	394	57	45	-93	71	174	185	103
Oats	2	26	17	-2	1	-5	12	32	17	6
Corn & oat products	7	5	7	7	8	8	9	9	9	10
Total feed grains	5,211	12,211	13,967	9,053	3,384	2,721	2,722	2,510	5,883	3,573
Wheat	4,691	3,440	2,836	678	53	806	2,958	1,719	2,274	1,847
Rice	990	947	906	128	631	667	867	715	889	741
Upland cotton	1,553	2,142	1,786	666	1,461	-79	382	1,443	2,436	2,317
Tobacco	455	253	-346	-453	-367	-307	-143	29	-2	-13
Dairy	2,085	2,337	1,166	1,295	679	505	839	232	145	230
Soybeans	711	1,597	-476	-1,676	-86	5	40	-29	41	-40
Peanuts	12	32	8	7	13	1	48	41	33	1
Sugar	184	214	-65	-246	-25	15	-20	-19	-28	-30
Honey	81	89	73	100	42	47	19	17	17	12
Wool	109	123	152	1/ 5	93	104	172	191	183	191
Operating expense 3/	346	457	535	614	620	618	625	6	7	6
Interest expenditure	1,435	1,411	1,219	425	98	632	745	532	194	154
Export programs 4/	134	102	276	200	-102	-34	733	1,455	2,698	1,853
1989/92 Disaster/Tree/ livestock assistance	0	0	0	0	3,919	2/ 161	121	1,054	1,226	0
Other	-314	486	371	1,665	110	609	2	-158	1,094	1,330
Total	17,683	25,841	22,408	12,461	10,523	6,471	10,110	9,738	17,090	12,255
FUNCTION										
Price-support loans (net)	6,272	13,628	12,199	4,579	-926	-399	418	584	2,183	785
Direct payments 5/										
Deficiency	6,302	6,166	4,833	3,971	5,798	4,178	6,224	5,491	6,813	7,009
Diversion	1,525	64	382	8	-1	0	0	0	0	0
Dairy termination	0	489	587	260	168	189	96	2	0	0
Loan Deficiency	0	27	60	60	42	3	21	214	390	438
Other	0	0	0	0	0	0	0	140	200	175
Disaster	0	0	0	6	4	0	0	0	0	0
Total direct payments	7,827	6,746	5,862	4,245	6,011	4,370	6,341	5,847	9,403	7,622
1988-92 crop disaster	0	0	0	0	3,386	2/ 5	6	960	1,137	0
Emergency livestock/tree/ forage assistance	0	0	0	31	533	156	115	94	89	0
Purchases (net)	1,331	1,670	-479	-1,131	116	-48	646	321	485	298
Producer storage payments	329	485	832	658	174	185	1	14	19	67
Processing, storage, & transportation	657	1,013	1,659	1,113	659	317	394	185	135	128
Operating expense 3/	346	457	535	614	620	618	625	6	7	6
Interest expenditure	1,435	1,411	1,219	425	98	632	745	532	194	154
Export programs 4/	134	102	276	200	-102	-34	733	1,455	2,698	1,853
Other	-648	329	305	1,727	-46	669	86	-260	740	1,342
Total	17,683	25,841	22,408	12,461	10,523	6,471	10,110	9,738	17,090	12,255

1/ Fiscal 1988 wool & mohair program outlays were $130,635,000 but include a one-time advance appropriation of $126,108,000, which was recorded as a wool program receipt by Treasury. 2/ Approximately $1.5 billion in benefits to farmers under the Disaster Assistance Act of 1989 were paid in generic certificates & were not recorded directly as disaster assistance outlays. 3/ Does not include CCC Transfers to General Sales Manager. 4/ Includes Export Guarantee Program, Direct Export Credit Program, CCC Transfers to the General Sales Manager. Market Promotion Program, starting in fiscal 1991 & starting in fiscal 1992 Export Guarantee Program – Credit Reform, Export Enhancement Program, & Dairy Export Incentive Program. 5/ Includes cash payments only. Excludes payment-in-kind in fiscal 83-85 & generic certificates in fiscal 86-94. E = Estimated in the fiscal 1994 Budget Baseline based on November, 1992 supply & demand estimates. Minus (-) indicates a net receipt (excess of repayments or other receipts over gross outlays of funds).

Information contact: Richard Pazdalski (202) 720-5148.

Food Expenditures

Table 35.—Food Expenditures Estimates

	Annual			1992	1993		1993 year-to-date	
	1990	1991	1992	Dec	Jan P	Feb P	Jan P	Feb P
				$ billion				
Sales 1/								
Off-premise use 2/	296.7	309 0	315.2	28.7	25.8	24.4	25.8	50.1
Meals & snacks 3/	218.7	227.0	233.7	20.0	18.6	18.1	18.6	36 7
				1991 $ billion				
Sales 1/								
Off-premise use 2/	304.2	308.9	312 8	28.4	25.2	23.8	25.2	48.9
Meals & snacks 3/	226.0	226.9	229.0	19.5	18.0	17.6	18.0	35.6
				Percent change from year earlier ($ bil.)				
Sales 1/								
Off-premise use 2/	8.2	4 1	2.0	6.0	2.1	0.4	2.1	1.1
Meals & snacks 3/	6.0	3.8	3.0	5 1	3.2	–0.2	3.2	1.5
				Percent change from year earlier (1991 $ bil.)				
Sales 1/								
Off-premise use 2/	1 4	1 4	1.3	4.5	0.1	–1.7	0.1	–0.8
Meals & snacks 3/	1.2	0.4	0.9	3.7	1.5	–1.8	1.5	–0.2

1/ Food only (excludes alcoholic beverages). Not seasonally adjusted. 2/ Excludes donations & home production. 3/ Excludes donations, child nutrition subsidies, & meals furnished to employees, patients, & inmates. P = preliminary.

NOTE: This table differs from Personal Consumption Expenditures (PCE), table 2, for several reasons: (1) this series includes only food not alcoholic beverages & pet food which are included in PCE; (2) this series is not seasonally adjusted, whereas PCE is seasonally adjusted at annual rates; (3) this series reports sales only, but PCE includes food produced & consumed on farms & food furnished to employees; (4) this series includes all sales of meals & snacks PCE includes only purchases using personal funds, excluding business travel & entertainment. For a more complete discussion of the differences, see "Developing an Integrated Information System for the Food Sector," Agr.-Econ. Rpt. No. 575, Aug 1987.

Information contact: Alden Manchester (202) 219-0880.

Transportation

Table 36.—Rail Rates; Grain & Fruit-Vegetable Shipments

	Annual			1992						1993
	1990	1991	1992	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Rail freight rate index 1/ (Dec. 1984=100)										
All products	107.5	109.3	110.0	109.5	109.9	109.9	110.1 P	110.2 P	110 3 P	110.4 P
Farm products	110.4	111.4	111.1	111.1	110.2	110.2	112.1 P	112.4 P	113.7 P	112 9 P
Grain	110 1	111.2	111.4	111.4	110.3	110.3	112.7 P	113.3 P	113.3 P	113.8 P
Food products	105.4	108.1	108.7	108.6	108.1	108.1	108.1 P	108.1 P	109.0 P	108.7 P
Grain shipments										
Rail carloadings (1,000 cars) 2/	27.6	26.6	27.7	30.0	26.2 P	25.8 P	30.8 P	31.5 P	29.7 P	29 6
Barge shipments (mil. ton) 3/	3.8	3.3	3.4	1.8	4.6	3.2	2.6	3.3	2.9	2.7
Fresh fruit & vegetable shipments 4/ 5/										
Piggy back (mil. cwt)	1.8	1.5	1.6	1.5	1.2	1 5	1.3	1.4	1.4	1 4
Rail (mil. cwt)	2.3	2 1	2.6	3.1	0.1	1.8	2.0	2.4	3.0	2.5
Truck (mil. cwt)	41.5	41.9	44.0	41.4	38.9	37.5	42.2	39.4	41.1	40.8
Cost of operating trucks hauling produce 4/										
Fleet operation (cts./mile)	130.5	126.5	124.1	122.6	124.7	125.1	125.0	124.6	125.1	127.0

1/ Department of Labor, Bureau of Labor Statistics 2/ Weekly average, from Association of American Railroads. 3/ Shipments on Illinois & Mississippi waterways, U.S. Corps of Engineers. 4/ Agricultural Marketing Service, USDA. 5/ Preliminary data for 1993. P = preliminary -- = not available.

Information contact: T.Q. Hutchinson (202) 219-0840.

Indicators of Farm Productivity

Table 37.—Indexes of Farm Production, Input Use & Productivity [1/]

	1982	1983	1984	1985	1986	1987	1988	1989	1990 2/	1991 2/
						1977=100				
Farm output	116	96	112	118	111	110	102	114	119	120
All livestock products 3/	107	109	107	110	110	113	116	116	118	119
Meat animals	101	104	101	102	100	102	105	105	104	104
Dairy products	110	114	110	117	116	116	118	117	120	121
Poultry & eggs	119	120	123	128	133	144	148	153	162	168
All crops 4/	117	88	111	118	109	108	92	107	114	111
Feed grains	122	67	116	134	123	106	73	108	112	106
Hay & forage	109	100	107	106	106	102	89	101	102	103
Food grains	138	117	129	121	107	107	98	107	136	104
Sugar crops	96	93	95	97	106	111	105	105	107	112
Cotton	85	55	91	94	69	103	107	86	109	122
Tobacco	104	75	90	81	63	62	72	71	84	87
Oil crops	121	91	106	117	110	108	89	106	107	114
Cropland used for crops	101	88	99	98	94	88	87	90	90	—
Crop production per acre	116	100	112	120	116	123	106	119	127	—
Farm input 5/	98	96	95	91	89	89	87	87	88	—
Farm real estate	102	101	99	97	96	95	94	93	93	—
Mechanical power & machinery	89	86	85	80	77	74	74	73	71	—
Agricultural chemicals	118	102	120	115	109	111	112	119	122	—
Feed, seed, & livestock purchases	107	103	103	102	109	116	111	113	113	—
Farm output per unit of input	119	100	118	129	124	124	116	130	135	—
Output per hour of labor										
Farm 6/	125	99	121	139	139	142	135	147	142	—
Nonfarm 7/	99	102	105	106	108	109	111	112	111	—

1/ For historical data & indexes, see Economic Indicators of the Farm Sector: Production & Efficiency Statistics, 1986, ECIFS 5–6. 2/ Preliminary indexes for 1991 based on Crop Production: 1991 Summary, released in January 1992, & unpublished data from the Agricultural Statistics Board, NASS. 3/ Gross livestock production includes minor livestock products not included in the separate groups shown. It cannot be added to gross crop production to compute farm output. 4/ Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross livestock production to compute farm output. 5/ Includes other items not included in the separate groups shown. 6/ Economic Research Service. 7/ Bureau of Labor Statistics. — = not available.

Information contact: Eldon Ball (202) 219–0432.

Food Supply & Use

Table 38.—Per Capita Consumption of Major Food Commodities 1/

Commodity	1984	1985	1986	1987	1988	1989	1990	1991 2/
	Pounds							
Red meats 3/4/5/	123.7	124.9	122.2	117.4	119.5	115.9	112.4	111.9
Beef	73.9	74.6	74.4	69.6	68.8	65.4	63.9	63.1
Veal	1.5	1.5	1.6	1.3	1.1	1.0	0.9	0.8
Lamb & mutton	1.1	1.1	1.0	1.0	1.0	1.1	1.1	1.1
Pork	47.2	47.7	45.2	45.6	48.8	48.4	46.4	46.9
Poultry 3/4/5/	43.7	45.2	47.1	50.7	51.7	53.8	55.9	58.0
Chicken	35.0	36.1	37.0	39.1	39.3	40.5	42.1	43.9
Turkey	8.7	9.1	10.2	11.6	12.4	13.1	13.8	14.1
Fish & shellfish 4/	14.1	15.0	15.4	16.1	15.1	15.6	15.0	14.8
Eggs 5/	33.0	32.4	32.2	32.2	31.2	29.9	29.6	29.4
Dairy products								
Cheese (excluding cottage) 3/6/	21.5	22.5	23.1	24.1	23.7	23.8	24.7	25.2
American	11.9	12.2	12.1	12.4	11.5	11.0	11.2	11.2
Italian	5.8	6.5	7.0	7.8	8.1	8.5	9.0	9.4
Other cheese 7/	3.9	3.9	4.0	4.1	4.1	4.3	4.6	4.8
Cottage cheese	4.1	4.1	4.1	3.9	3.9	3.8	3.4	3.2
Beverage milks 3/	227.3	229.7	228.6	226.5	222.4	224.3	221.7	221.5
Fluid whole milk 8/	126.9	123.4	118.5	111.9	105.7	97.6	90.4	87.5
Fluid lowfat milk 9/	88.9	93.7	98.6	100.6	100.5	106.5	108.4	110.1
Fluid skim milk	11.6	12.6	13.5	14.0	16.1	20.2	22.9	23.8
Fluid cream products 10/	6.3	6.7	7.0	7.1	7.1	7.3	7.1	7.0
Yogurt (excluding frozen)	3.7	4.1	4.4	4.4	4.7	4.3	4.1	4.3
Ice cream	18.2	18.1	18.4	18.4	17.3	16.1	15.8	16.4
Ice milk	7.0	6.9	7.2	7.4	8.0	8.4	7.7	7.3
Frozen yogurt	—	—	—	—	—	2.0	2.8	3.5
All dairy products, milk equivalent, milkfat basis 11/	582.0	593.6	591.5	601.3	582.9	565.2	570.8	564.7
Fats & oils — Total fat content	58.9	64.3	64.4	62.9	63.0	61.1	62.7	63.6
Butter & margarine (product weight)	15.3	15.7	16.0	15.2	14.8	14.8	15.3	14.8
Shortening	21.3	22.9	22.1	21.4	21.5	21.5	22.2	22.1
Lard & edible tallow (direct use)	3.8	3.7	3.5	2.7	2.6	2.7	3.0	3.1
Salad & cooking oils	19.9	23.5	24.2	25.4	25.8	24.0	24.2	25.2
Fresh fruits 12/	88.9	88.8	93.1	97.5	97.4	98.8	92.6	90.6
Canned fruit 13/	12.3	12.7	12.9	13.6	13.2	13.3	13.4	12.3
Dried fruit	2.6	2.9	2.9	2.7	3.0	3.3	3.2	3.8
Frozen fruit	3.0	3.3	3.6	3.9	3.8	4.6	4.3	3.9
Frozen citrus juices 14/	35.7	40.5	43.2	40.2	40.1	34.3	27.2	—
Vegetables 12/								
Fresh	100.6	100.7	99.3	105.7	109.7	112.9	110.9	106.0
Canning	90.9	87.8	87.9	87.6	83.5	90.7	96.4	94.3
Freezing	17.5	17.1	15.8	16.8	18.3	17.8	18.3	19.3
Potatoes, all 12/	0.0	122.4	125.6	125.8	122.2	127.4	127.8	130.5
Sweetpotatoes 12/	5.4	5.8	4.8	4.8	4.5	4.5	5.0	4.4
Peanuts (shelled)	6.0	6.3	6.4	6.4	6.9	7.0	6.0	6.4
Tree nuts (shelled)	2.3	2.3	2.3	2.2	2.3	2.3	2.5	2.5
Flour & cereal products 15/	150.4	157.5	163.7	172.5	174.3	174.9	183.0	184.1
Wheat flour	119.2	124.7	125.7	129.9	130.0	129.2	135.7	135.9
Rice (milled basis)	8.5	9.0	11.6	14.0	14.3	15.2	16.2	16.8
Caloric sweeteners 16/	127.0	131.3	129.6	133.7	135.1	136.4	139.1	140.2
Coffee (green bean equiv.)	10.2	10.5	10.5	10.2	9.8	10.1	10.3	10.5
Cocoa (chocolate liquor equiv.)	3.4	3.7	3.8	3.8	3.8	4.0	4.3	4.8

1/ In pounds, retail weight unless otherwise stated. Consumption normally represents total supply minus exports, nonfood use, & ending stocks. Calendar-year data except fresh citrus fruits, peanuts, tree nuts, & rice, which are on crop-year basis. 2/ Preliminary. 3/ Total may not add due to rounding. 4/ Boneless, trimmed weight. Chicken series revised to exclude amount of ready-to-cook chicken going to pet food as well as some water leakage that occures when chicken is cut up before packaging. 5/ Exlcudes shipments to the U.S. territories. 6/ Natural equivalent of cheese & cheese & other dairy products. Includes miscellaneous cheese not shown separately. 7/ Includes Swiss, Brick, Munster, cream, Neufchatel, Blue, Gorgonzola, Edam, & Gouda. 8/ Plain & flavored. 9/ Plain & flavored & buttermilk. 10/ Heavy cream, light cream, half & half, & sour cream & dip. 11/ Includes condensed & evaporated milk & dry milk products. 12/ Farm weight. 13/ Excludes pineapple & berries. 14/ Single strength equivalent. 15/ Includes rye, corn, oat, & barley products. Excludes quantities used in alcoholic beverages, corn sweeteners, & fuel. 16/ Dry weight equivalent. — not available

Information contact: Judy Jones Putnam (202) 219-0870.

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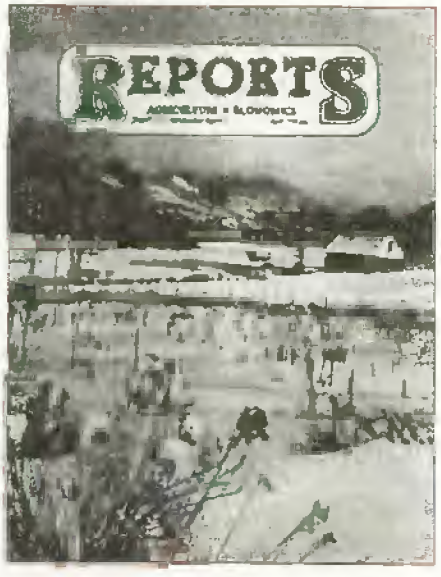

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